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## Legislative Assembly of Ontario

First Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 29 February 2012

# Journal des débats (Hansard)

Mercredi 29 février 2012

**Standing Committee on  
General Government**

Organization

**Comité permanent des  
affaires gouvernementales**

Organisation



Chair: David Oraziotti  
Clerk: Sylwia Przedziecki

Président : David Oraziotti  
Greffière : Sylwia Przedziecki



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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

Wednesday 29 February 2012

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Mercredi 29 février 2012

*The committee met at 1608 in room 228.*

## ELECTION OF CHAIR

**The Clerk of the Committee (Ms. Sylwia Przewdzicki):** Good afternoon, everyone. Welcome to the Standing Committee on General Government.

Honourable members, it is my duty to call upon you to elect a Chair. Are there any nominations?

**Mr. Michael Coteau:** I'd like to nominate David Oraziotti for Chair of the committee.

**The Clerk of the Committee (Ms. Sylwia Przewdzicki):** Mr. Oraziotti, do you accept the nomination?

**Mr. David Oraziotti:** Yes, thank you, Clerk, I do.

**The Clerk of the Committee (Ms. Sylwia Przewdzicki):** Okay. Are there any further nominations?

**Mrs. Laura Albanese:** I'd like to nominate David Zimmer as Vice-Chair.

*Interjection.*

**Mrs. Laura Albanese:** Oh, that's after? Okay. Sorry.

**The Clerk of the Committee (Ms. Sylwia Przewdzicki):** We're just dealing with the election of the Chair at the moment.

**Mrs. Laura Albanese:** Yes.

**The Clerk of the Committee (Ms. Sylwia Przewdzicki):** Are there any further nominations for the position of Chair? There being none, I declare nominations closed and Mr. Oraziotti duly elected Chair of the committee.

Will you please take the chair?

**Mr. Rosario Marchese:** All in favour? Opposed? Okay.

**Mr. Bas Balkissoon:** A recorded vote for Rosie's sake.

*Interjections.*

**The Chair (Mr. David Oraziotti):** Thank you, Mr. Marchese, for your support.

## ELECTION OF VICE-CHAIR

**The Chair (Mr. David Oraziotti):** Good afternoon, everyone. We'll just go through the other brief items here. Vice-Chair nominations: Any nominations for Vice-Chair?

**Mrs. Laura Albanese:** I would like to nominate David Zimmer as Vice-Chair of the committee.

**The Chair (Mr. David Oraziotti):** Ms. Albanese nominates David Zimmer. Any other nominations?

**Mr. Rosario Marchese:** Where is David?

**Mrs. Laura Albanese:** He will accept. That's why we—

*Interjection.*

**Mrs. Laura Albanese:** He hasn't been well, yes.

**Ms. Laurie Scott:** Just a point—no other nominations. It's okay that Ms. Albanese is filling in and she's been subbed in, so it's—okay. I just wanted to make sure it was all legal.

**The Chair (Mr. David Oraziotti):** They've submitted substitution slips.

**Ms. Laurie Scott:** So it's okay.

**The Chair (Mr. David Oraziotti):** Absolutely.

**Ms. Laurie Scott:** Okay, perfect. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you for that, Ms. Scott and Ms. Albanese.

**Mr. Rosario Marchese:** All in favour?

**The Chair (Mr. David Oraziotti):** All in favour? Opposed? The motion's carried. Mr. Zimmer will assume the role of Vice-Chair.

## APPOINTMENT OF SUBCOMMITTEE

**The Chair (Mr. David Oraziotti):** Appointment of the subcommittee.

**Mr. Todd Smith:** I would move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair, or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting; and

That the subcommittee be composed of the following members: the Chair as Mr. Coteau; Ms. Scott and Mr. Marchese; and that substitution be permitted on the subcommittee.

**The Chair (Mr. David Oraziotti):** Thank you, Mr. Smith. Any other comments on that? Seeing none, all in favour? Opposed? The motion is carried.

## BRIEFING

**The Chair (Mr. David Oraziotti):** Any further business?



**The Clerk of the Committee (Ms. Sylwia Przezdziecki):** The last point on today's agenda is a short briefing by staff, so if you'll permit me, I'll just take a couple of moments—yes?

**Mr. Rosario Marchese:** Can I recommend, Mr. Chair—is it possible for us to have this short briefing at our next meeting, so that we can get into the debate in the Legislature?

**The Chair (Mr. David Oraziotti):** If it's the will of the committee, I don't see any reason why not.

**Mr. Rosario Marchese:** Unless there's something, Sylwia, that you think we need to definitely hear today?

**The Clerk of the Committee (Ms. Sylwia Przezdziecki):** It was intended as a general introduction by me and the research officer. So we're happy to do it at a later date if—

**Mr. Rosario Marchese:** If you don't mind, I'd like to put it off to our next meeting.

**The Chair (Mr. David Oraziotti):** Okay, I think we're all agreed. Thank you very much for offering to do that. We're looking forward to hearing it at the next meeting.

At this point, the committee is adjourned. Thank you.

*The committee adjourned at 1612.*













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### STANDING COMMITTEE ON GENERAL GOVERNMENT

#### **Chair / Président**

Mr. David Orazietti (Sault Ste. Marie L)

#### **Vice-Chair / Vice-Président**

Mr. David Zimmer (Willowdale L)

Ms. Sarah Campbell (Kenora–Rainy River ND)

Mr. Michael Coteau (Don Valley East / Don Valley-Est L)

Mr. Joe Dickson (Ajax–Pickering L)

Mr. Rosario Marchese (Trinity–Spadina ND)

Mr. David Orazietti (Sault Ste. Marie L)

Ms. Laurie Scott (Haliburton–Kawartha Lakes–Brock PC)

Mr. Todd Smith (Prince Edward–Hastings PC)

Mr. Jeff Yurek (Elgin–Middlesex–London PC)

Mr. David Zimmer (Willowdale L)

#### **Clerk / Greffière**

Ms. Sylwia Prezezdziecki

#### **Staff / Personnel**

Mr. Jerry Richmond, research officer,  
Legislative Research Service



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Wednesday 21 March 2012

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Mercredi 21 mars 2012

## **Standing Committee on General Government**

Subcommittee report

## **Comité permanent des affaires gouvernementales**

Rapport du sous-comité



Chair: David Oraziotti  
Clerk: Sylwia Przedziecki

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STANDING COMMITTEE ON  
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AFFAIRES GOUVERNEMENTALES

Wednesday 21 March 2012

Mercredi 21 mars 2012

*The committee met at 1606 in room 228.*

## SUBCOMMITTEE REPORT

**The Chair (Mr. David Orazietti):** Okay, folks, we'll get started. Good afternoon and welcome to the Standing Committee on General Government.

We've got a subcommittee report before us. I understand the subcommittee met on Monday. I would ask Ms. Cansfield to read the report, please, into the record.

**Mrs. Donna H. Cansfield:** Thank you, Chair. I'm delighted to be able to read this report. It's the Standing Committee on General Government subcommittee on committee business report of the subcommittee from Monday, March 19, 2012.

Your subcommittee on committee business met on Monday, March 19, 2012, to consider the method of proceeding on Bill 8, An Act respecting Ontario One Call Ltd., and Bill 11, An Act respecting the continuation and establishment of development funds in order to promote regional economic development in eastern and south-western Ontario, and recommends the following:

(1) That the committee hold public hearings on Bill 11 in Toronto, at Queen's Park, on Monday, April 2, 2012, during its regular meeting time, and on Wednesday, April 4, 2012, in Windsor, Ontario, subject to approval of the House.

(2) That the committee hold public hearings on Bill 8 in Toronto, at Queen's Park, on Wednesday, April 18, and Monday, April 23, 2012, during its regular meeting times.

(3) That the clerk of the committee, with the authorization of the Chair, post information regarding the committee's business with respect to both Bill 8 and Bill 11 once in the Globe and Mail, the Toronto Star, the Windsor Star, L'Express and Le Droit newspapers as soon as possible.

(4) That the clerk of the committee, with the authorization of the Chair, post information regarding the committee's business with respect to both Bill 8 and Bill 11 in English and French on the Ontario parliamentary channel, on the Legislative Assembly website and on the CNW newswire service.

(5) That interested people who wish to be considered to make an oral presentation on Bill 8 or Bill 11 should contact the clerk of the committee by 12 noon on Thursday, March 29, 2012.

(6) That the clerk of the committee, in consultation with the Chair, be authorized to schedule witness presentations on Bill 8 and Bill 11 as the requests are received, on a first-come, first-served basis.

(7) That groups and individuals be offered 10 minutes for their presentations, followed by up to five minutes for questions by committee members.

(8) That the deadline for receipt of written submissions on Bill 11 be 5 p.m. on Friday, April 6, 2012.

(9) That the deadline for receipt of written submissions on Bill 8 be 5 p.m. on Monday, April 23, 2012.

(10) That the research officer provide the committee with a summary of witness presentations on Bill 11 by 12 noon on Wednesday, April 11, 2012.

(11) That the research officer provide the committee with a summary of witness presentations on Bill 8 by 12 noon on Thursday, April 26, 2012.

(12) That amendments to Bill 11 be filed with the clerk of the committee by 12 noon on Thursday, April 12, 2012.

(13) That amendments to Bill 8 be filed with the clerk of the committee by 12 noon on Thursday, April 26, 2012.

(14) That the committee meet on Monday, April 16, 2012, during its regular meeting time, for clause-by-clause consideration of Bill 11.

(15) That the committee meet on Monday, April 30, 2012, during its regular meeting time, for clause-by-clause consideration of Bill 8.

(16) That the clerk of the committee, in consultation with the Chair, be authorized to commence making any preliminary arrangements necessary to facilitate the committee's proceedings prior to the adoption of this report.

I move that the report of the subcommittee be adopted.

**The Chair (Mr. David Orazietti):** Thank you, Ms. Cansfield.

Comments? Mr. Marchese.

**Mr. Rosario Marchese:** I have a little amendment, and that is on number (1). I was very happy to travel to Windsor myself, but the member from Essex has requested that he would like to do the hearings, and to do that, he was available on April 5. So I would ask your indulgence, and hopefully other members would be available to go on April 5.

**The Chair (Mr. David Orazietti):** I appreciate the suggestion. The committee is free to decide that. The only concern, I guess, would be that the committee is

authorized to meet on Mondays and Wednesdays, so we would need the House to approve discussion—

**Mr. Rosario Marchese:** I understand that. We are already seeking approval to go out, because that's not something we normally do. So we already need their approval for the change. Our House leader has already spoken to the other House leaders, and I understand there's agreement on that, so I wanted to put it forth here.

**The Chair (Mr. David Oraziotti):** Okay. Further comment? Mr. Clark.

**Mr. Steve Clark:** I don't see any problem with that as well. I recognize that we have to get approval from the House, but certainly, if that works with the other party, that would be fine with us.

**The Chair (Mr. David Oraziotti):** Mrs. Cansfield?

**Mrs. Donna H. Cansfield:** I don't see any challenge either, Chair. I think that to accommodate the member is fine. April 5 is just the Thursday, as opposed to the Wednesday, and that's fine. We've asked for permission.

My question to you is, do we have to send a new letter with a request for the change of date to seek this approval? And if we do, do you need an amendment to the subcommittee report or just a request that you resend the request to the House for the change of date? But I'm quite in agreement.

**Mr. Rosario Marchese:** Okay. It still needs the approval of the House, doesn't it?

**Mrs. Donna H. Cansfield:** Right.

**Mr. Rosario Marchese:** So if we change it from the fourth to the fifth, it still requires their approval, right?

**Mrs. Donna H. Cansfield:** But I'm just saying it may need a new letter, because the old letter said the fourth.

**Mr. Rosario Marchese:** Okay.

**The Chair (Mr. David Oraziotti):** I'm going to ask Sylwia to add a comment with respect to the advertising—just some concern around making sure there's ample notification. If you want to just highlight that, that would be helpful.

**The Clerk of the Committee (Ms. Sylwia Przedzicki):** In order to adhere to the committee schedule, as was discussed at the subcommittee meeting, the committee would really need to post its advertising tomorrow in order for it to appear in next week's newspapers, to provide the required notice for people to call in.

While we're waiting for approval from the House to travel on the fourth, if the committee doesn't receive that approval by tomorrow during motions, there's still the possibility of posting the ad, but either removing a reference to locations in the ad or changing Windsor to a Toronto date. That's because the committee is authorized to sit on the fourth. The committee is not authorized to meet on the fifth. So, prior to receiving approval from the House, we cannot put that date in the ad.

**Mrs. Donna H. Cansfield:** If I may, Chair, what you're saying is we could have proceeded without, because the fourth is a normal meeting date, so we wouldn't have had any challenges, but changing it to the fifth, we still seek permission, but it's not a regular meeting date.

**Mr. Rosario Marchese:** Because we're travelling outside the Legislature—because that's not something we do, it does require—

*Interjection.*

**Mr. Rosario Marchese:** —the House. That is very different than—I'm not sure if we've already got approval. We need to get approval, and that happens tomorrow, I'm assuming.

**Mrs. Donna H. Cansfield:** I'm not disagreeing. I'm just saying that what I understand the clerk to say is that we can use the fourth because it's a regularly scheduled date; it's when we meet. So you're saying we can go ahead with the advertising, because the fourth is a regularly scheduled date for this committee.

**The Clerk of the Committee (Ms. Sylwia Przedzicki):** That's correct. What the committee is asking permission for is to sit outside—

**Mr. Rosario Marchese:** I can't hear you, Sylwia. You'll have to speak up.

**The Clerk of the Committee (Ms. Sylwia Przedzicki):** I'm sorry. I don't have—

**Mr. Rosario Marchese:** No problem.

**The Clerk of the Committee (Ms. Sylwia Przedzicki):** What the committee is asking permission to do is to sit outside of its regularly scheduled meeting time, which is—

**Mr. Rosario Marchese:** And to travel outside of Queen's Park.

**The Clerk of the Committee (Ms. Sylwia Przedzicki):** Committees are authorized to adjourn from location to location in Ontario. What the House needs to approve is for the committee to meet outside of its meeting time. We would need permission to sit on the fifth, to publish that in an ad. Now, if that permission isn't received by tomorrow during motions, the next opportunity to receive that—

**Mr. Rosario Marchese:** Right. But it will be done by tomorrow. The motion will be introduced tomorrow, as far as I know.

**The Clerk of the Committee (Ms. Sylwia Przedzicki):** So what would the fallback be? If the motion is not moved, then what would the committee's instructions to the clerk be in that case?

*Interjection.*

**The Clerk of the Committee (Ms. Sylwia Przedzicki):** Okay. So let the ad go as is and simply remove references to the dates, or run the ad as is and change the Windsor location to Toronto?

**Mr. Rosario Marchese:** Sorry, let me just understand. The ad is prepared, but it doesn't go until we get approval, and that happens tomorrow.

**The Clerk of the Committee (Ms. Sylwia Przedzicki):** The ad is prepared; the ad must be submitted tomorrow in order to appear on Monday. If tomorrow, during routine proceedings, the House does not give approval for the committee to travel to Windsor, we can still publish the ad as is, simply indicating that the committee intends to meet on April 2 and April 4; we can remove all reference to locations pending further deci-



sions from the House; or, if the committee wishes it, we can indicate that both meeting days will be in Toronto. But the ad can still run.

If the committee opts to change its meeting to the fifth, then, without authority from the House, we can't advertise that date.

**Mrs. Donna H. Cansfield:** But we're going to get the authority tomorrow on the fifth.

**Mr. Rosario Marchese:** Yeah.

**The Chair (Mr. David Orazietti):** Thanks. Yeah, I don't see a challenge with this. As long as we get approval in the House tomorrow, we should be fine for the advertising.

The only issue that is obviously raised here is that the ad can go in tomorrow right away to be published on Monday without waiting for authorization from the House to change the date for meetings. We can remove the location and just provide the dates. So if we wait until we have the approval, then we can change the date, and the ad, I would assume, should still run for Monday—if we send the ad in tomorrow, following approval from the House to meet outside regular business days?

**The Clerk of the Committee (Ms. Sylwia Przedziecki):** Yes.

**The Chair (Mr. David Orazietti):** So we should still be able to stay on track for the Monday advertising.

**The Clerk of the Committee (Ms. Sylwia Przedziecki):** If I may just ask for direction from the committee: In the event that the House does not grant approval, what does the committee wish me to put in the ad?

**Mrs. Donna H. Cansfield:** Just the day before, because it's a regular meeting date, with no location.

**The Clerk of the Committee (Ms. Sylwia Przedziecki):** Okay.

**The Chair (Mr. David Orazietti):** She just wants backup, just in case there's not approval from the House tomorrow. What would the committee like in the ad or what would be the scheduled meeting day?

**Mrs. Donna H. Cansfield:** But I just said you'd go with April 4, and take out location.

**Mr. Rosario Marchese:** Based on my discussion with the House leaders, I thought we'd get approval, that we have it. If we don't, then—

**Mrs. Donna H. Cansfield:** We stay with the fourth and take out the location.

**Mr. Rosario Marchese:** Right. Yes.

**The Chair (Mr. David Orazietti):** Okay.

**Mr. Steve Clark:** So we've requested Windsor on the fifth—

**The Chair (Mr. David Orazietti):** Correct.

**Mr. Steve Clark:** And if it doesn't get approved, we'll go there on the fourth.

**The Chair (Mr. David Orazietti):** Okay. Very good.

**Mr. Steve Clark:** So do we need to vote on that amendment? Because I have another amendment to the committee report as well that I'd like to discuss.

**The Chair (Mr. David Orazietti):** Is there agreement on the committee? All in favour? Opposed? Okay, it's amended.

Mr. Clark, go ahead. You've got another—

**Mr. Steve Clark:** Thank you, Chair. I was unaware until after the subcommittee met that the report was not going to include the minister attending in regard to Bill 11. I've copied and circulated to the members of the committee some order paper questions that were discussed with the minister at a quite historic meeting that took place here in the Legislature on February 23, where we had both sitting Liberal and Progressive Conservative MPPs from eastern Ontario to discuss the fund. These were important questions that I think would be fair and reasonable for the committee to have as part of the deliberations. They would certainly give members an overview of the four-year eastern Ontario program.

The first order paper question is pretty simple; I think it just outlines from a chronological basis each year of the four-year program—who got the grants, how many jobs they created, in what municipality. So I guess my question that I'd like some approval on is—I don't necessarily think that we need the minister. If the committee feels the minister could come and provide these answers, that would be great. Failing that, these order paper questions under our standing orders are supposed to get their response—I believe it's by April 16; the clerk gave me that date.

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I don't think it's unreasonable to have these answers before we deliberate. I guess I'm just looking for some consensus that we'll either have the minister here to address and give us an overview or, failing the minister's attendance, we can just get these questions answered as a background document on the four-year history of the eastern plan and move forward.

I just think it's important that everyone get an overview of what's happened with this program from its beginnings.

**The Chair (Mr. David Orazietti):** Thanks, Mr. Clark. Ms. Cansfield?

**Mrs. Donna H. Cansfield:** At the subcommittee meeting, we had some discussion about whether or not to invite the minister, and we felt that that wasn't necessary. Because you're going to get these by April 16, I think that should satisfy all the—and it'll be long before—

**Mr. Steve Clark:** It's the day we do clause-by-clause, so I think we should have it before that.

**Mrs. Donna H. Cansfield:** Maybe what we can do is ask if it will be earlier than that, because my question is just one of process. I have no difficulty. But because it's an inquiry of the ministry and not of us, then it falls under that procedure, and the ministry has till the 16th to respond. I don't know that we can supersede that requirement other than just by asking—

**Mr. Steve Clark:** But then failing that, I guess, then, my request would be that he does come and do an overview at the start of our deliberations that first day of hearings.

**Mrs. Donna H. Cansfield:** Well, as I said, maybe if you could leave it with us and I can ask, because if we can get your questions earlier—I mean, I don't know why you'd want him here anyways, but I can understand—

**Mr. Steve Clark:** No, and that's what I'm saying. I'm saying if we can get that overview via those five answers, great. That's fine. I just want to have a consensus—

**The Chair (Mr. David Orazietti):** I think we can probably do both. We can ask the clerk to make a request of the minister—

**Mr. Steve Clark:** Sure. If everyone's okay with that, that's great.

**The Chair (Mr. David Orazietti):** —that the committee has requested that the minister appear, and failing that, that the information be provided by the date you provided here.

**Mr. Steve Clark:** I'd be very happy. Thank you.

**Mr. Rosario Marchese:** By a certain date, right? What's the date?

**Mr. Steve Clark:** Well, we should have it before we go too far in the hearings. Come on.

**Mr. Rosario Marchese:** Before the amendments actually have to be produced?

**Mr. Steve Clark:** Absolutely.

**Mr. Rosario Marchese:** Yeah.

**Mr. Steve Clark:** Not the day we do clause-by-clause. I don't think that's reasonable.

**Mr. Rosario Marchese:** No, I agree. It should be earlier. Mr. Chair, I agree with that. Mr. Chair?

**The Chair (Mr. David Orazietti):** Understood.

**Mr. Rosario Marchese:** My sense is the minister may not come. That's what I think will happen, which is fine, but I think it's a reasonable request to get answers to these questions. The questions are to the minister, not to the civil servants, because he's actually answerable to these particular issues. So it's a reasonable request, and I need to—

**Ms. Laurie Scott:** Let's look at April 10, maybe.

**Mr. Rosario Marchese:** April—"that the deadline for receipt of written submissions" is the sixth, so I think around the sixth is fine.

**Mr. Steve Clark:** Yeah.

**Ms. Laurie Scott:** On the sixth, yeah?

**Mr. Steve Clark:** Sure.

**Mr. Rosario Marchese:** I think it's a reasonable request.

**Mrs. Donna H. Cansfield:** So can I ask, then, with your permission, if they say that's not possible, then it leaves the caveat to call the minister? Is that okay? I'll get back to the Chair, and then we can maybe just let everybody know that it's either questions are answered

by the sixth or the minister will appear. Which date would you like the minister to appear, though?

**Mr. Rosario Marchese:** On that day, I imagine—

**Mr. Steve Clark:** Day one, yes.

**Mrs. Donna H. Cansfield:** Okay.

**Mr. Rosario Marchese:** Day one. It would probably be easier for the minister on day one.

**Mrs. Donna H. Cansfield:** Okay.

**The Chair (Mr. David Orazietti):** So Monday the 2nd, the first day—

**Mrs. Donna H. Cansfield:** So it's either/or?

**Mr. Rosario Marchese:** Yes.

**Mr. Steve Clark:** Thank you.

**Mrs. Donna H. Cansfield:** That's great.

**The Chair (Mr. David Orazietti):** Committee report: All those in favour? Opposed? Okay, it's carried. The subcommittee report will be amended.

Any further comments? Ms. Cansfield?

**Mrs. Donna H. Cansfield:** It's just a procedural question. We talked about the opportunity for individuals to have 10 minutes and then a follow-up question of five minutes, and we did ask that it be by rotation. It doesn't state that on here, and I don't know if it needs to or if it's just a given procedure within the committee.

**Mr. Rosario Marchese:** I think it's normal procedure.

**Mrs. Donna H. Cansfield:** Normal procedure? Then that's fine, just as long as it's fairly done.

**The Chair (Mr. David Orazietti):** I believe that's the will of the committee. A 10-minute presentation, and any time they leave will be left for questions from committee members. We'll go in a rotation. So if we start with the Conservatives first, the next presenter, the first question will go to the NDP and we'll go in order, okay? And whatever the time is that's left, we'll try to divide it equally so that everyone has an opportunity, if possible, to get a question in for the same presenter, not that your party may miss a question to a particular presenter—so that everybody can get a chance to ask a question of the same presenter. Sound fair?

**Mr. Rosario Marchese:** Yup.

**The Chair (Mr. David Orazietti):** Okay.

*Interjection.*

**The Chair (Mr. David Orazietti):** I think we've been through it before, Mr. Clark.

Anything further on the subcommittee report?

All those in favour of the amended subcommittee report? Opposed? The report is adopted.

Any further business?

*Interjections.*

**The Chair (Mr. David Orazietti):** Okay. No further business? The committee is adjourned.

*The committee adjourned at 1625.*





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### STANDING COMMITTEE ON GENERAL GOVERNMENT

#### **Chair / Président**

Mr. David Oraziatti (Sault Ste. Marie L)

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Ms. Sarah Campbell (Kenora–Rainy River ND)

Mr. Michael Coteau (Don Valley East / Don Valley-Est L)

Mr. Joe Dickson (Ajax–Pickering L)

Mr. Rosario Marchese (Trinity–Spadina ND)

Mr. David Oraziatti (Sault Ste. Marie L)

Ms. Laurie Scott (Haliburton–Kawartha Lakes–Brock PC)

Mr. Todd Smith (Prince Edward–Hastings PC)

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## Assemblée législative de l'Ontario

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# Official Report of Debates (Hansard)

Monday 2 April 2012

# Journal des débats (Hansard)

Lundi 2 avril 2012

## Standing Committee on General Government

Attracting Investment  
and Creating Jobs Act, 2012

## Comité permanent des affaires gouvernementales

Loi de 2012 visant  
à attirer les investissements  
et à créer des emplois



Chair: David Oraziotti  
Clerk: Sylwia Przedziecki

Président : David Oraziotti  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENTCOMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Monday 2 April 2012

Lundi 2 avril 2012

*The committee met at 1402 in room 228.*ATTRACTING INVESTMENT  
AND CREATING JOBS ACT, 2012LOI DE 2012 VISANT  
À ATTIRER LES INVESTISSEMENTS  
ET À CRÉER DES EMPLOIS

Consideration of the following bill:

Bill 11, An Act respecting the continuation and establishment of development funds in order to promote regional economic development in eastern and southwestern Ontario / Projet de loi 11, Loi concernant la prorogation et la création de fonds de développement pour promouvoir le développement économique régional dans l'Est et le Sud-Ouest de l'Ontario.

**The Chair (Mr. David Oraziotti):** Good afternoon, everyone. Welcome to the Standing Committee on General Government. We're here today to consider Bill 11, An Act respecting the continuation and establishment of development funds in order to promote regional economic development in eastern and southwestern Ontario.

STATEMENT BY THE MINISTER  
AND RESPONSES

**The Chair (Mr. David Oraziotti):** Folks, as you know, the minister is here today to give a presentation. That will be 15 minutes in length. Caucuses have five minutes per caucus to ask questions of the minister. Subsequent presentations are 15 minutes: 10 minutes for the presenters, and members will have five minutes to ask questions as a group. We'll go in rotation. Any time that's not used by the presenter will be divided among members of caucus to ask questions.

I'll call on the Honourable Brad Duguid to make his presentation to committee.

**Hon. Brad Duguid:** Thank you very much, Mr. Chair.

**The Chair (Mr. David Oraziotti):** Good afternoon, Minister.

**Hon. Brad Duguid:** It's great to be here. It's great to be back at a committee again. I understand I have about 15 minutes. I don't know if I'll take the full 15, but we'll see how it goes. You just never know.

I want to begin by thanking the committee for inviting me to join you today. I welcome the opportunity to talk a

little about the role and the importance of Bill 11: why it's so important for southwestern Ontario, eastern Ontario and, frankly, all of Ontario.

The global recession has impacted most jurisdictions around the world, including Ontario, and it's clear that, frankly, our world economy has changed for good. We can no longer look south and rely on a strong US-based economy. South of the border, the economy appears to be coming back, but it's coming back slower than we would have liked. So I don't think we can look to the US now for the strength that they used to be able to provide—that, frankly, Ontario's economy relied a lot on in recent years.

Building and growing our economy now relies a lot on productivity, innovation and our exports to the US but around the entire world today.

To help ensure that all of Ontario's regions have the tools they need to succeed, we're proposing Bill 11, the Attracting Investment and Creating Jobs Act.

This act will, if passed, enhance Ontario's economic competitiveness and opportunities for Ontarians to find high-quality jobs.

We know the global recession hit some regions of our province a little bit harder than others, and there's a need for financial assistance and incentives to promote regional economic development.

In a nutshell, Bill 11 is designed to help southwestern and eastern Ontario attract and retain investment, create and retain jobs, and promote innovation, collaboration and cluster development.

We know that regional economic development programs work. Just look at the eastern Ontario development fund—and some of you around this table have had some experience with that fund. Since the fund was launched in 2008, it has supported over 100 projects. These are projects in more than a dozen different sectors and reflect the diversity of the eastern Ontario economy. Many of the successful projects have been with smaller firms employing between 10 and 50 employees.

This fund has leveraged over \$488 million in private sector investment. It's an 8-to-1 leverage rate. That's pretty impressive for economic development funds. By "leverage rate," I mean for every public sector dollar invested, it's accruing an \$8 private sector investment, which is pretty good. It's helped to create or retain 11,900 jobs across eastern Ontario.

The program is doing more than just creating jobs. It's also building talent and human capital across eastern



Ontario. The majority of the funds we have helped have been in advanced manufacturing projects across a number of diverse subsectors.

Targeted sectors include manufacturing, processing, tourism, business services, cultural industries, and technology and green technologies.

As many of you know, KPMG has conducted a review of the eastern Ontario development fund and found that the fund has been successful in creating jobs in eastern Ontario communities and increasing the competitiveness of companies in the region. Copies of that study are included, I believe, in the binders that the MPPs from all parties have.

More importantly, I think it's critical that the committee be aware of the support that this bill has received from across eastern and southwestern Ontario.

I want to read a little testimonial from the Eastern Ontario Wardens' Caucus about the eastern Ontario development fund. I'm quoting here, and this is what it says: "There is no question from our perspective that over the past four years the fund has helped many businesses in the region expand their capabilities, grow their markets and increase their workforces, all of which have helped eastern Ontario's economy weather very difficult fiscal times."

So when the Southwest Economic Alliance, supported by the Western Ontario Wardens' Caucus, South Central Ontario Region and the Southwestern Ontario Marketing Alliance, called on the government of Ontario to create a southwestern Ontario economic development fund, we listened. Southwestern Ontario, in our view, deserves similar support to what we've been able to provide to eastern Ontario.

Consultations for this fund were held across southwestern Ontario from London and Kitchener to Owen Sound to Windsor to St. Thomas to St. Catharines and Guelph. Over 215 individuals attended the consultations and an additional 32 written submissions have been received.

I just want to share with you just a little bit about what we've heard, much of it in the media, coming from local leaders and editorials and whatnot throughout southwestern Ontario. I'm going to share a couple of quotes with you.

This one comes from—it's referring to the official opposition's decision to date not to support this particular bill. It comes from Steve Arnold, Lambton county warden. This is what he says: "Don't poke someone in the eye and then ask them to do something for you. You don't do that sort of thing."

Mr. Chair, I want to also share with you a quote from John Kastner, the editor—

**Mr. Steve Clark:** Point of order.

**Hon. Brad Duguid:** I hope that's not coming from my time, Mr. Chair.

**The Chair (Mr. David Oraziotti):** Excuse me. Just one minute, Minister.

**Mr. Steve Clark:** I don't see what point—you know, we asked the minister to come and address some order

paper questions, and he's doing it. I don't see any purpose in taking shots at the official opposition. We asked him here—I asked him here in good faith, and I just think he's a bit out of order with his attacks.

**The Chair (Mr. David Oraziotti):** Okay. Point noted. The minister is here to make a presentation on Bill 11, the merit of that bill, the importance of that bill to the region. I'd ask him to continue with points along that line. If you—

**Hon. Brad Duguid:** Sure. Mr. Chair, I'll—

**The Chair (Mr. David Oraziotti):** We'll entertain questions after, so there'll be an opportunity for an exchange. But at this point, I'd appreciate focus on the bill.

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**Hon. Brad Duguid:** Sure, Mr. Chair. I appreciate that.

I think it's important, though, that we listen to the people in southwestern Ontario and eastern Ontario and how they feel about this bill. I think it's very relevant as I come before the committee today, and I look forward to receiving questions from the opposition, where I'll be happy to respond to details of the bill. I think it's very relevant to the committee to know what we're hearing and what I, as minister, have heard from the people of southwestern Ontario and eastern Ontario. They're our priority here. The people of southwestern Ontario and the people of eastern Ontario are our priority, and I think their views matter.

That's why I think it's relevant to be able to quote John Kastner, editor of the Stratford Beacon Herald. This is what they had to say: "What happened last week was a couple of bad days for politics in general and this riding in particular. And the whole notion of 'I will go to Queen's Park and fight for this riding' rings a bit hollow now."

Mr. Chair, I think that's relevant. I think that it's very important that all members of the committee listen very carefully to some of those voices that are being heard.

I want to raise a quote from Randy Hope, the mayor from Chatham-Kent. He's been to these committees many times to make deputations, and this is what he said, as quoted in the St. Thomas Times-Journal: "A political party that thinks they understand business certainly doesn't if they voted against (the bill)." I think that's important, Mr. Chair. I think it's important to hear from the leaders of southwestern Ontario.

How about Joe Fontana, the mayor of London, in the St. Thomas Times-Journal, who had this to say: "Sometimes, you've got to decide not what should be the party line but what would be good for the towns and cities in your (riding).... From time to time you have to stand for your constituents and communities ... that's why people elect you."

Mr. Chair, I can go on and on here. The deputy mayor of Goderich, John Grace, said: "It is the wrong time to be playing politics, the wrong time to hold this up. The last thing we need here is another stall tactic."

I raise that quote, Mr. Chair, because I think it's really important that members of committee on all sides of the House recognize that local mayors want us to move



forward with this initiative, move forward with this bill on a timely basis.

I'll move away from quotes for the time being, Mr. Chair, and just share with you some of the headlines that we've seen in local papers across southwestern Ontario—I believe mainly in southwestern Ontario—because a lot of us here read the *Star* and the *Sun* and the *Globe*, and we don't always get to see some of the headlines and what some of the other papers are saying.

Here's what the *Stratford Beacon Herald* had to say on March 14 in their headline: "For Our MPP, Boss's Orders Trump Needs of Riding." Here's what the *St. Thomas Times-Journal* had to say: "Tory MPPs Miff Local Mayors." Here's what the *Belleville Intelligencer* had to say: "Milligan Toed Party Line on EODF." And here's what the *London Free Press* had to say: "Tory MPPs Stall \$80M Jobs Fund."

I could go on and on about the headlines—and I recognize, when I raise these issues, that my friends on the opposition side probably don't like it when I raise these headlines, but I think it's relevant. I really do. I think it's relevant what people in southwestern Ontario think about what we're doing here. I think it's relevant what they think about those who would oppose the initiatives that we're bringing forward, in good faith, to create jobs in southwestern Ontario and eastern Ontario. I don't mean to be provocative with these quotes; I really don't.

*Laughter.*

**Hon. Brad Duguid:** My friend Rosario laughs when I say that, but I'm not making them up, Mr. Chair. They're real, and I can assure you that there are many more where they came from.

The fact is, though, that this bill does not have to be political. Creating jobs in eastern Ontario and southwestern Ontario does not need to be a partisan matter. The NDP appear to get it. They recognize that the eastern Ontario development fund works in eastern Ontario. It created jobs and attracted investment there. They recognize that southwestern Ontario was hit hard during the global recession, and the southwestern Ontario development fund is much needed. The funny thing is, Mr. Chair, they have less seats in those communities than my friends in the PC Party have, who have so far expressed pretty blunt opposition to jobs in eastern Ontario and southwestern Ontario.

Now, I know, Mr. Chair, that it's easy for members to say that you shouldn't toe party lines and things like that; I know we're subject here to working within our caucuses. So I ask all members on all sides of the committee: Listen carefully to the deputations you hear today. Take a good, strong look at this bill and what's behind it and the initiatives behind it. My hope for the committee and all members on all sides is that we put jobs ahead of politics here, that we find a way to work together to promote jobs in eastern Ontario, southwestern Ontario.

This fund has been a proven winner in eastern Ontario, as I mentioned; 11,700 jobs created in the three years it has been there. That's significant. It's something that our

local leaders are welcoming in eastern Ontario and southwestern Ontario. It's something I think we can show to the people of this province, that when we work together we can get things done. If we work together in support of this bill, I think it's going to be good news to the people in eastern Ontario and good news to the people in southwestern Ontario.

I look forward to receiving your questions. I'm joined by Mahmood Nanji, who is my assistant deputy minister. If there are detailed questions that you have, Mahmood would be more than happy to share details on that.

Mr. Chair, with that, I ask the committee to listen carefully to the deps and certainly welcome any questions they may have.

**The Chair (Mr. David Oraziotti):** Okay. Thank you, Minister. We're going to go in rotation here. The Conservative caucus is first. You have five minutes to ask your questions. Mr. Clark, go ahead.

**Mr. Steve Clark:** Thanks, Chair. Minister, I'm a bit disappointed. I looked over to the clerk to make sure that you got my request before you appeared today. I tried to be extremely fair and reasonable and I, in the four questions that I asked that you address, certainly didn't take any time during that period to be political. I didn't read any headlines. I didn't provide any quotes.

I wanted, for the committee's perspective, to have answers to four order paper questions that Mr. McNaughton tabled, which, by our convention, wouldn't be available to us until April 16. That is the day, as committee members know, that we're doing clause-by-clause. Although the minister did indicate some of the numbers regarding the consultations—he did provide us with the executive summary of the KPMG study—there are some questions that arise from these order paper questions that I had hoped that you would have chosen to table in detail as opposed to make the presentation that you did.

Are you prepared today to provide some of that detail for the committee as part of our deliberations?

**Hon. Brad Duguid:** Thank you for that question, and I thank you for the order paper questions. I have responded to them. You're quite right; we had a fair amount of time left to respond—I think it was April 16 or somewhere thereabouts would have been the deadline—but you had wanted them responded to before today. I'm happy—I have them here with me, the responses as well. I assume they've been submitted in through the proper channels. If not today, they're on their way. I have them here for you and I'm happy to share them with you.

**Mr. Steve Clark:** There are other written submissions, Chair, through you to the minister. There are a number of deputations today who have indicated that they would like the ministry to reconsider the boundaries, or in southwestern Ontario's case, the proposed boundaries. I know that in the meeting that our eastern Ontario caucus had with you and a number of the Liberal members on February 23, you gave us the indication that there are two options: Either the bill is voted for in favour or it's not.



So I guess just leading up to these presentations today, has there been any indication or any movement from the ministry on changing the boundaries of any of these programs as per the written or, in the case of a number of them, their oral submissions today?

**Hon. Brad Duguid:** I regret that in our previous conversation about this, you got the impression that somehow or another we're closed-minded about that. We're not—

**Mr. Steve Clark:** Well, it was pretty direct. You gave us really two options, so that's why I just wondered if there was a change of heart.

**Hon. Brad Duguid:** I think part of the reason for committees to be here is to listen. Certainly, this government has listened very closely to the voices in southwestern Ontario and eastern Ontario, which is why this bill is before you.

I think from our perspective the bill doesn't define the boundary. There's no definition of the boundary, as I recall, in the bill. That's something I expect would be of much interest to many communities that are in and around those areas.

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So we're open-minded to the submissions that are made today to committee. We'll obviously want to take into consideration what we've heard in eastern Ontario and southwestern Ontario. Certainly, if opposition members have suggestions, we're open to them.

**Mr. Steve Clark:** Thank you.

**The Chair (Mr. David Orazietti):** Mr. Marchese—oh, sorry.

**Mr. Todd Smith:** Sorry. Do we have some time left?

**The Chair (Mr. David Orazietti):** You've got a brief minute.

**Mr. Todd Smith:** Okay. I'm just curious, Minister, as we're talking about the eastern Ontario development fund now, if you could explain where the money, since 2008, has gone, and to which particular ridings? I believe the breakdown at that time over the last three years was 60% Liberal ridings and 40% Conservative ridings. Any idea of the breakdown on how that money was distributed?

**Hon. Brad Duguid:** One of the order paper questions—it may have been Mr. Clark that asked the order paper question—was for a breakdown of all of the ridings, all of the grants that have gone out. We've provided that to you. I can tell you that the process for allocating these grants has always been done through a staff process. The only role that the minister plays is signing off the grant once it comes up to him from committee. I can assure you that all applicants that have applied and qualified for funding—all have received funding. All applicants that have applied and qualified for funding have received funding.

I think something that's interesting as well—and I've got a little bit more information I can give you on this.

**The Chair (Mr. David Orazietti):** Briefly, Minister. We need to move on.

**Hon. Brad Duguid:** Are we out of time?

**The Chair (Mr. David Orazietti):** Yeah.

**Hon. Brad Duguid:** Well, the vast majority of—in fact, I think it's something like 98% of grants have been successful. There's a great deal of accountability that goes into the process, but I can assure you that it's not—I think you're insinuating somehow that maybe there's some kind of politics that go into this—

**Mr. Todd Smith:** Well, the stats don't lie. There's 81% of the funds that have gone into eastern Ontario have gone to Liberal-held ridings.

**Hon. Brad Duguid:** Well, what I'm saying to you is that it's gone through the process and been approved, as it should. A lot of the grants have gone—Peterborough has been very aggressive at pursuing this funding—

**Mr. Todd Smith:** They've been very fortunate, too, since the election. As one of the only remaining Liberal ridings in eastern Ontario, they've received five grants since the election. That's just a coincidence, though?

**Hon. Brad Duguid:** As has Kingston. I can tell you that there's not one applicant that's applied for funding under this program that qualified for it that did not receive funding.

**The Chair (Mr. David Orazietti):** Okay. I'm going to need to stop you there, Minister. It's been a long minute, and I need to move on.

**Hon. Brad Duguid:** I think that alone suggests that your line of questioning is incorrect.

**Mr. Todd Smith:** It's a fair question—

**The Chair (Mr. David Orazietti):** Okay, guys. Thanks. We're moving on.

NDP caucus: Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Minister, I've got four or five questions, and we really want to avoid a long debate on the answers to the questions so that I can ask all of them to you. Some of them you already heard in the debate at Queen's Park in the assembly.

The first one is: The grants have been the only form of assistance that have been given in the past. Have you considered or are you considering providing loans or loan guarantees as well?

**Hon. Brad Duguid:** The consultations in southwestern Ontario—there appears to be an appetite, in southwestern Ontario, in particular, for a different approach that involves some form of loans. So in answer to your question, to keep it brief, yes, we're considering that.

**Mr. Rosario Marchese:** Okay. The other issue we've raised with your staff and in the debate has to do with job guarantees. Minnesota has something interesting. I want to read it to you quickly and see what your feedback is on that.

Minnesota's clawback law is a good example of best practice in this area. The law requires that subsidy recipients sign formal subsidy agreements, which must include clawback language enabling the state to recapture all or part of a subsidy, with interest, if a company does not fulfill the terms of the contract. In Minnesota, all subsidy contracts must contain minimum requirements for wage standards, and subsidy recipients must commit to wage and job goals. Companies that fail to meet their commitments are barred from receiving further subsidies



in the state for five years or until they have repaid what they owe. What do you make of that?

**Hon. Brad Duguid:** All of the funds that we have have clawback processes in place, accountability processes in place. I guess you can call them job guarantees, but it's really accountability measures, and it often is based on how much investment comes forward, because the money flows over a period of time, usually.

**Mr. Rosario Marchese:** Yes, yes.

**Hon. Brad Duguid:** So, to keep it brief, if there are ways we can look at what we're doing, if there are ways we can improve it, we're happy to consider that.

**Mr. Rosario Marchese:** Right. So perhaps you might ask your staff to look at what they've done in Minnesota.

**Hon. Brad Duguid:** I'd be more than happy to do that.

**Mr. Rosario Marchese:** Okay.

The other question has to do with offsets. Most of the money that you're providing for this program comes from offsets, and most of it comes from the strategic jobs investment fund, which, as it says in the ministry documentation, is aimed at innovative companies that make anchor investments in Ontario that support cluster development and leading-edge initiatives that build long-term prosperity and global competitiveness.

We happen to agree with that language.

So you're taking much of that money—I don't know whether it's the \$20 million or \$18 million or \$15 million. Maybe you can tell me how much you're taking from that particular fund, or any other fund, for that matter, to fund this western development fund.

**Hon. Brad Duguid:** Sure. It is public information. I don't have it with me right now—

**Mr. Rosario Marchese:** Does he have it?

**Hon. Brad Duguid:** I can certainly get that for you. Mr. Nanji might have it with him today. We can get that for you fairly quickly.

**Mr. Rosario Marchese:** Well, if he's got it, I'll ask you another question while he finds it. How about that?

**Hon. Brad Duguid:** Let me just respond to that this way: The strategic jobs and investment fund—the portion is the lending portion. It is a good fund and we didn't make that decision lightly. It's a question of priorities.

**Mr. Rosario Marchese:** I believe that. I'm interested to know how much.

The last question that I have, while the assistant deputy comes to sit here and give me the answer—if you don't mind. The final question has to do with the independence of this board. The heritage fund in the north is independent. We believe this fund should have an independent board to avoid any mention of politics involved. Don't you think it's a good idea?

**Hon. Brad Duguid:** Again, when it comes to the administration and structure of the fund, that's something we work very hard to—

**Mr. Rosario Marchese:** I appreciate that.

**Hon. Brad Duguid:** —in terms of consulting with southwestern Ontario. So would we be open to the idea—

**Mr. Rosario Marchese:** Of independence.

**Hon. Brad Duguid:** We're open to different ideas and we're certainly willing to consider best practices.

**Mr. Rosario Marchese:** Very good.

**Hon. Brad Duguid:** But I think it's really important that we consider what we receive, the information we receive, through the consultation process, number one. What do the people of southwestern Ontario and eastern Ontario—what's their preference? I think that's relevant.

**Mr. Rosario Marchese:** Well, then, I'll ask them.

**Hon. Brad Duguid:** And the second thing that I think is really important here is—

**Mr. Rosario Marchese:** How much time do I have, Chair?

**The Chair (Mr. David Oraziotti):** You're pretty much there.

**Mr. Rosario Marchese:** Could I get that answer, please? Hold on, Minister.

**Hon. Brad Duguid:** The second thing I'd just say—

**Mr. Rosario Marchese:** No, no, Minister, we don't have time. Could I get that answer?

**Hon. Brad Duguid:** The second thing I would just say is cost. I think cost is important as well.

**Mr. Rosario Marchese:** I appreciate that.

**Hon. Brad Duguid:** Because for every dollar you spend on administration, you're taking away from—

**Mr. Rosario Marchese:** We're running out of time.

**The Chair (Mr. David Oraziotti):** Okay.

**Mr. Rosario Marchese:** Assistant minister, do you have a quick answer?

**The Chair (Mr. David Oraziotti):** Just state your name for the purposes of Hansard and you can answer the question briefly.

**Mr. Rosario Marchese:** Thank you.

**Mr. Mahmood Nanji:** It's Mahmood Nanji. I'm the assistant deputy minister at the Ministry of Economic Development and Innovation.

So just to let you know, we've identified over \$60 million as potential offsets for the two programs.

**Mr. Rosario Marchese:** Sixty million?

**Mr. Mahmood Nanji:** Over \$60 million. And those come from primarily two sources, as you identified: the strategic jobs investment fund and also the Ontario research fund.

**Mr. Rosario Marchese:** The health research innovation—that fund?

**Mr. Mahmood Nanji:** It's the Ontario research fund, the ORF.

**Mr. Rosario Marchese:** Right.

**Mr. Mahmood Nanji:** Okay. This does not mean that the strategic jobs investment fund is being shut down. What we've done is we've simply reallocated some of the funds that are—

**Mr. Rosario Marchese:** How much is some?

**Mr. Mahmood Nanji:** What we've done is, there's a loan provision in there and we've taken the funds that were available in the loan for the purposes of using it—

**Mr. Rosario Marchese:** How much is that?

**Mr. Mahmood Nanji:** I don't have the exact numbers but it probably would be about half of that.



**Mr. Rosario Marchese:** What's half? What is that number?

**Mr. Mahmood Nanji:** About \$30 million or so.

**Mr. Rosario Marchese:** Okay. Thank you. Thank you both.

**Hon. Brad Duguid:** We'll get you all those numbers.

**Mr. Rosario Marchese:** That would be helpful. Thanks so much.

**The Chair (Mr. David Oraziotti):** Thank you. Okay, we're moving on to the Liberal caucus. Ms. Cansfield, go ahead.

**Mrs. Donna H. Cansfield:** Thank you very much, Mr. Chair.

Minister, I think there are a couple of questions that might be some help, because there's been some discussion, and some of the figures did not get into Hansard, I think, that are important.

I think you identified the number of applicants that were successful. How many applicants were there overall? I mean, there is a success rate. How many were not successful? How much money was leveraged? How far does it go across the different sectors? You referred, and I think it's really good reading, to the KPMG report in the back that speaks to the effectiveness and efficiency of this fund. So I just thought maybe, for the record, it would be helpful.

While you're looking for that information, my other question had to do with being able to look at the provision of accountability—I think that's really important in transparency—and how we in fact put in that clawback provision.

1430

I think one of the things that I believe—and I may stand to be corrected, but the transparency and monitoring is over the lifespan of the project so that it's not just, you get the money a year and then you're cut loose; it's actually over the lifespan of the project. That's referred to in the KPMG report as well, as one of the huge benefits to the sustainability of the projects that have been funded. I wouldn't want to lose sight of that when we're looking at the other fund.

I wondered if you had that information, Minister?

**Hon. Brad Duguid:** Sure. We've got a number of things we can share with the committee. In all, since the program was launched in 2008, 114 projects have been approved; 19 projects have been denied funding. That may help in terms of the number of projects that have been out there.

The bulk of projects go through a process and they do get positively approved, but they're very scrupulous about ensuring that they're projects that qualify. That's why you've got such an effective leverage rate of 8 to 1. That's why the success rate of these projects—98% success rate; that's pretty good. Out of the 2%—and it's actually only two projects that have failed out of the 114 or so; one of them didn't even receive funding in the first place.

So it's important that we have accountability. It's important that we have a very scrupulous accountability and

assessment process. This isn't a fund that just sort of gives out money willy-nilly; it's a fund that really focuses on trying to get return and private sector leverage for the funds.

In eastern Ontario, and I mentioned this but it's really important, \$488 million of private sector funding was leveraged; for every \$1 invested, \$8 of private sector funding was received. That's impressive. When you look at economic development funds around the world, not just here in Ontario, that's a pretty good leverage rate all in all.

**Mrs. Donna H. Cansfield:** Thank you.

**The Chair (Mr. David Oraziotti):** Okay, thank you very much. Thank you for your presentation, Minister. That's time for today.

We move on with the next presenter. Any material that may be distributed or left, if it's given to the clerk, we can have copies made so that all members of the committee have access to the information; that would be helpful. Thank you very much.

**Hon. Brad Duguid:** Great. Thank you, Chair.

#### TRILLIUM ENERGY ALLIANCE

**The Chair (Mr. David Oraziotti):** Okay, our next presentation is the Trillium Energy Alliance. Good afternoon, Mr. Mole.

**Mr. Jeff Mole:** Good afternoon, Mr. Chair.

**The Chair (Mr. David Oraziotti):** Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. Any time that you don't use will be divided among members to ask questions. Just state your name and you can start when you're ready.

**Mr. Jeff Mole:** My name is Jeff Mole, and I am one of five founding directors of Trillium Energy Alliance.

Our organization mobilizes Ontario communities and financial investments to create jobs and economic development in the clean energy sector. We're innovators in the development of clean energy through a social enterprise corporate structure. We recognize the need to provide a greater public benefit in the open electricity market, and have created a better way of developing clean energy projects. We call it "the" alternative energy model.

I've spent the better part of six years developing the model, consulting with government and industry experts, and bringing the idea to market. I've made significant personal sacrifices developing this model, and as a result was nominated for a community power leader award in 2011.

Our approach reduces the social friction associated with wind, solar and water power projects by providing economic benefit to local communities. Communities can make money by generating electricity and selling it to the provincial power authority through the feed-in tariff program. Our model ensures that any surplus revenue will then be donated to the education, health, environment and other initiatives, such as jobs and economic development.



Bill 11 is intended to promote regional economic development in eastern and southwestern Ontario. I'm here today to ask that this bill specifically allocate \$875,000 to fund our project to start up 35 non-profit energy co-ops in each region within the area covered by the bill. This funding would boost our ability to engage more community members and opportunities. This allocation is necessary because the program currently excludes clean energy development. Trillium Energy Alliance will use these funds to mobilize communities through a network of local energy co-operatives.

On page 15 of the feed-in tariff review completed in 2012, it was noted: "Active participation of communities is important to the continued success of the FIT program," and that renewable energy projects provide positive financial returns for a community "as well as additional local benefits." The report also notes, "However, most local community and aboriginal projects require more time to mobilize."

Taxpayer dollars can go further and provide a wider range of social, economic and environmental benefits when development investments are made to build capacity and mobilize communities instead of relying on absentee corporations. With billions of dollars in new investments required in the coming years, a stimulus that provides the greatest return for the taxpayer is essential.

The FIT review clearly states that, "Renewable energy projects with local or aboriginal community partnerships create economic opportunities and jobs for the community. Anticipated results include positive financial returns for the community, as well as additional local benefits, such as new manufacturing facilities and direct and indirect jobs that support projects." That's out of the FIT review.

Ontario is rich in opportunities to develop renewable energy projects. Our model enables these opportunities to move forward in a way that benefits all Ontarians, especially those in the impacted community, while providing transparent project assessment. Our model works within existing policies and processes to ensure projects are appropriate for communities and that public opinions are respected. There will likely be some hurdles along the way; however, we and our community partners submit that there is a strong case for supporting a model that enables communities to work together with government to help ensure that renewable energy projects are developed in a responsible manner.

The government of Ontario can help clear away the financial hurdles that stand in the way of this worthwhile initiative. To be clear, we are not asking for a subsidy. The electricity market will sustain this initiative. What we propose is a sound business case for community investment. This investment helps Ontarians get better value from our electricity procurement programs and ultimately makes these programs more sustainable.

The year 2012 is the UN International Year of Co-operatives. This declaration by the UN recognizes that co-operative enterprises are significant contributors to our economy. We think that the co-operative enterprise

model is the right way to enable non-commercial electricity generation.

A co-op is an enterprise run by a group of people who develop a business that meets their needs and provides member benefits. We are using this model to help Ontario communities develop renewable energy opportunities in a way that meets the need to empower local citizens and provide local control and local benefit from electricity opportunities.

Traditionally, local electricity generation was conducted by municipal corporations. While we support this model, not all municipalities are prepared to take on the financial and political challenges inherent in assessing all local opportunities. Our business model facilitates an orderly assessment process that enables municipal involvement through development of transparent and accountable reporting and engagement methods. Upon completion of the assessment of local opportunities, local municipalities are invited to become project partners. This allows some of the financial benefits to flow directly back to the municipality, which helps to reduce taxes and improve services while creating local economic activity and jobs.

We have a dedicated team with considerable experience in the development of community power projects across Ontario. We helped found one of Ontario's first renewable energy co-operatives. Our experience ranges from development of water power projects in Almonte and Bancroft to commercial wind and solar partnerships. We coordinate the development of community projects by local, non-commercial entities. These projects produce cash flow, which is provided by the energy consumers of Ontario. This revenue is then used to service the debt incurred in the project development and all associated operating costs. Our business model clearly states that surplus revenues must be used to enhance the well-being of the community. The province also benefits because surplus revenues are used to help create jobs and help build sustainable communities while reducing social friction.

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Our research has concluded that the original intent of the Green Energy Act was to ensure equal opportunity for participation of the community power sector in recognition of the additional social and economic benefits that these opportunities provided to Ontario communities and the people of Ontario as a whole.

However, it is quite clear that enabling policies so far have not been implemented to ensure community participation. I hope that the committee members agree that it makes good sense to work together to enable development of a strong local electricity generation sector. Implementation of the measures presented here today will undoubtedly pave the way for the creation of jobs and economic activity across Ontario.

I welcome the opportunity to answer your questions and share how we plan to work with Ontarians to facilitate local electricity generation.

Thank you for your time.



**The Chair (Mr. David Orazietti):** Thank you very much, Mr. Mole, for your presentation. We'll start with the NDP caucus. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Hello, Jeff. It sounds like it's a project that you want to submit to the western development fund, obviously, because we're not the funding agency for this.

**Mr. Jeff Mole:** Correct.

**Mr. Rosario Marchese:** I appreciate your raising this issue with us. Are you going to have this opportunity to do that? Or are you saying you won't?

**Mr. Jeff Mole:** That depends on how the plan is rolled out, because the way it is currently in eastern Ontario, renewable energy is not allowed to apply for funding. I think the assumption is that the FIT program is lucrative enough and corporations should not need to apply for funding. However, that's not what we're talking about. We're talking about start-up capital for local non-profit corporations. These are corporations that don't have shareholders and therefore do not have funding from any other source other than the government. However, what would happen is that these programs, these corporations will generate revenue and will become self-sufficient, but they need the start-up capital and currently that's not available in the program.

**Mr. Rosario Marchese:** Can I ask you, Jeff—currently, the eastern Ontario fund has been primarily aimed at individual private sector companies.

**Mr. Jeff Mole:** Correct.

**Mr. Rosario Marchese:** Do you agree that this fund should be opened up to others like non-profits or municipalities—

**Mr. Jeff Mole:** Non-profits—in this case, we're talking about social enterprises. They're corporations. They're incorporated under, in this case, the Co-operative Corporations Act. The only difference between them and a private corporation is that they don't have any shareholders. They operate like a business. They look for efficiencies. The members of the public are the members of the co-op—those that choose to buy a membership for a nominal fee can be part of the co-op, and therefore it's a fully democratic process.

**The Chair (Mr. David Orazietti):** Thank you very much. Moving on to the Liberal caucus: Ms. Cansfield, go ahead.

**Mrs. Donna H. Cansfield:** Thank you very much, Chair. I have a couple of questions.

You're right: In the fund, there's not a provision for energy initiatives, primarily because there are other mechanisms whereby you can access dollars. But interestingly enough, within this fund, there are criteria. The criteria currently sits at \$500,000 in capital investment that must come from whomever is applying in addition to the creation of 10 jobs. Now, the eastern wardens' caucus is suggesting some modifications to that, but are you suggesting that that provision be eliminated?

**Mr. Jeff Mole:** I'm actually here just to ask for an exemption from some of those rather arduous rules that you'll put in place, because this is in the interest of the

government that this proceeds. The government has clearly stated that they want clean energy projects to go ahead. I think the government would agree that it would be nice if the social friction would tone it down a bit. I think that we can do that through this project, but there are some hurdles within this bill that make it impossible for us to participate. But I think this would help go a long way. And as I said, there will be an economic return. The minister sat here—it was 8 to 1. I bet you in a social enterprise, you'll probably see a 20-to-1 return. That's a significant return, and therefore I think it's worthy of giving our organization an exemption.

I'm not saying to open it up as a free-for-all for every corporate developer that wants to do a green energy project. I'm saying that this can be strategically funded through this bill.

**The Chair (Mr. David Orazietti):** Okay. Thank you. Mr. Clark?

**Mr. Steve Clark:** Thanks very much for your presentation. You make some very interesting points.

I know in my own riding, during my by-election back in 2010, there was an announcement, perhaps premature, that we were going to have a manufacturing plant for solar panels. By the time they applied, the government had changed the rules, so we didn't get it, although I know that the northern fund provided it, because I believe in the Chair's riding, they had a grant that helped get a solar panel plant there.

So I appreciate it. It certainly was effected in my riding, and that change—I know the minister obviously didn't mention that in his speech, but I know they have made modifications in the past that have stopped developments in eastern Ontario, so perhaps they'll consider your suggestion.

**Mr. Jeff Mole:** Well, if I might comment on your point, the development of renewable energy was supposed to create jobs in the manufacturing sector. If you can get more projects out of the ground with less social friction and get them moving forward faster, those manufacturing jobs will come faster. We can, through this social enterprising network, create as many jobs as are being proposed within the Green Energy Act and the feed-in tariff. We'll create those jobs; it's just that we'll get better value for the province for every dollar that they're spending in this program.

**The Chair (Mr. David Orazietti):** Thank you. We appreciate your passion. Thanks for coming in today. That's time for your presentation.

## INVEST OTTAWA

**The Chair (Mr. David Orazietti):** Our next presentation: Invest Ottawa. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government.

**Mr. Bruce Lazenby:** Good afternoon. Thank you.

**The Chair (Mr. David Orazietti):** You've got 10 minutes for your presentation. Any time you don't use



will be divided among members. If you can start by stating your name, go ahead.

**Mr. Bruce Lazenby:** You guys have had a long day. I'm going to try to keep this less than 10 minutes and just make a few simple points.

My name is Bruce Lazenby. I am from Ottawa. You may be familiar with the predecessor organization called OCRI, the Ottawa Centre for Regional Innovation—at least that was the most recent incarnation of that term. OCRI over the last number of years sort of lost its path and became a little bit unclear. So I was brought in to try to create some clarity around what was happening in Ottawa, particularly from a knowledge-based-industries growth point of view.

On February 21, we launched Invest Ottawa officially. I think I got the job because I speak four languages: I speak English, French, business and government. I spent 20 years in government, and I spent 20 years in the high-tech sector. So I know what's possible within the realm of government, I know what's possible within the realm of business, and I think I'm pretty good at trying to find ways to connect together. That's the reason I'm here today, because I think the eastern Ontario economic development fund is a powerful fund. I think it can do a lot of good, and frankly, we need the help in Ottawa.

If I were to describe the ecosystem in Ottawa, if you think about export—and I grew up in London, Ontario, and I've spent time in Toronto. In my 20 years in the navy, I actually changed addresses 33 times, and I had a chance to work pretty much across the province and across the country. When I look at different regions, I understand that they have different strengths and weaknesses. From an export point of view, we don't export auto parts. We don't export oil and gas, electricity, gold, food processing—none of that stuff. The only thing that we export from Ottawa is the results of knowledge-based businesses. We have about 2,000 of those, the vast majority tiny. The loss of Nortel was a big blow to our region.

We've been dealt a second hit now by the federal government in its downsizing—4,800 job cuts in Ottawa alone. We're going to be assuming the largest job cuts of any city in the country. So we're finding ourselves sort of on the cusp.

The good news is we've got a new organization; we got its act together. In fact, to be clear on that, within the economic development business—and after my five months on the job, I'm sure you know better than I do, but the one thing I do understand is that there's a number of arms and elements here. One of the key parts is entrepreneurship. How do we create more entrepreneurs? How do we create more businesses? That's part of the Invest Ottawa mandate. Within that, we also have the mandate for knowledge-based businesses and technologies. Here we have, for the first time ever in Ottawa, an acceleration centre. We've been lagging behind some of our counterparts in Ontario; Kitchener-Waterloo, Toronto and others being good examples. MaRS just down the street is obviously a classic example of that. We are just starting to make that happen now.

In addition to that, we have the business retention and expansion responsibility. We just hired a 30-year veteran from EDC who's extraordinarily plugged in to running that organization. And foreign direct investment—we have been working hard with China, Brazil, India and others, and we're now at the point where we think we can actually make stuff happen.

In addition to that, we've got the film, television and digital media responsibilities within Ottawa. We do about \$25 million in film and TV annually. We think we can grow that to \$200 million over the next three years, and we've got a clear plan to do that.

The bottom line is we've got all the pieces in place, and in fact, we're the only city in Canada where all of those pieces are neatly plugged into one organization.

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The good news, as I tell my folks, is that we've got the structure right; the bad news is, if you screw it up, it's all on us. So we're certainly feeling the pressure to try and make this thing happen.

In the middle of all of this is a dearth of cash. We have got hundreds and hundreds of companies that will not succeed because they can't get \$5,000, \$10,000, \$50,000, \$75,000, that little bit which is going to tip them over into the next phase.

We've got 113,000 post-secondary students in our city, most of whom were not born there and a lot of whom will leave and go back to their home country or their home province if we don't offer them something on the ground. So we want to have more internships. We want to have more connectivity and help them understand how they can grow businesses—113,000 students. Very, very powerful.

We also have a competitor that no other city in Ontario faces, and that competitor is right across the river in Gatineau. Ironically—and, believe me, I didn't set this up—the Ottawa Business Journal, this morning, in their weekly publication, has this, and it says, "Why the Ottawa Entrepreneur Crossed the River." The reason is because Gatineau has programs that we can't offer in Ottawa. We lose probably a company a week to Gatineau. That's jobs; that's tax dollars; that's everything. One of the reasons is, they have got more programs over there than you can shake a stick at, and we have virtually nothing to offer them back.

I know, sometimes, when you look at Ottawa as a city, you think that we're well taken care of by the federal government, and that we get lots of grants and loans from the feds. The truth is, we don't. If we look at the distribution of federal development money, we are dramatically under-represented in the money that they've handed out over the last little while.

We know that some other parts of Ontario have been hurting. We know the auto parts manufacturers were hurt. We know manufacturing has been hurt. We know other areas have been hurt. Frankly, Ottawa is on the cusp. I think, over the next couple of years, we're either going to kick it over in a positive way or we're going to get beat up by foreign competition or even domestic



competition and put ourselves in a tough spot. So we really believe that the economic development fund of eastern Ontario is something that could make a big difference in Ottawa.

We understand that you probably have a fear about us sucking it all up. That's not going to happen. There are processes in place. We've reviewed that. We know that there is oversight to be had and we know that there are systems in place to make sure that whatever allocations are done are fair. But we need help, and frankly, we think and we hope that you agree that it's our turn. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much. We'll start with the Liberal caucus first. Question? Mr. Naqvi, go ahead.

**Mr. Yasir Naqvi:** Thank you, Chair. Thank you, Bruce, for coming today and talking about the need for the eastern Ontario development fund as it relates to Ottawa. Do you have an analysis on how rural Ottawa has benefited thus far from the eastern Ontario development fund over the last four years in terms of high-tech companies or other related businesses that Invest Ottawa works with?

**Mr. Bruce Lazenby:** We are aware that there have been some companies which have moved out of Ottawa into the edges of Ottawa and even into places like Picton, but moving one company, pulling it up from its roots in Ottawa and moving it to Picton, is not sustainable in the long term. They went there for a grant. They're going to come back again at some point and cause a fair bit of disruption. But it does give you an idea of how desperate some of these companies are for money.

We know that in the west end of town there are some companies taking advantage of this, but the current boundary is so far west that it's really outside of that core area where those 2,000 companies try and survive.

**The Chair (Mr. David Oraziotti):** Thank you. Mr. Clark, go ahead.

**Mr. Steve Clark:** Thanks very much, Chair. Bruce, thanks very much for your presentation. I know we've had a chat off-line about your concerns about the fund.

One thing you did mention in your address that I just wanted to clarify was federal support. I know there is a federal program that many people in eastern Ontario get confused because the provincial one is called the eastern Ontario development fund and the federal one is called the eastern Ontario development program. Are any parts of the city of Ottawa eligible to receive the federal program? Because I know that that's one that was administered by some of the—I think in my riding it's the Community Futures Development Corp. that does the oversight as a transfer from FedDev to that corporation. Do you receive any of that FedDev money?

**Mr. Bruce Lazenby:** Blair?

**Mr. Blair Patacairk:** We, as an organization, do not; some of our companies are eligible. But going back to Bruce's point, I think the issue we have is: With the programs in place and the processes in place, trying to get to money and working at the speed of government isn't working at the speed of industry. So we fall short,

often, with our companies, despite the fact that they could get this money.

EODF is just outside the limits of—it's sort of the outer boundaries of Kanata. So to answer your question, yes. Do they get it often? No. It's simply because industry is moving at warp speed and government tends to be a little slower.

**Mr. Steve Clark:** But you don't have an agreement? You don't have a formal agreement with FedDev—

**Mr. Blair Patacairk:** No.

**Mr. Steve Clark:** Okay. So your recommendation, just to make sure I understand it, is that the entire boundaries of the city of Ottawa be included in the eastern Ontario portion. Is that correct?

**Mr. Blair Patacairk:** That's correct, yes.

I should also talk about another fund that we're putting together, where we would like to lever this. I did receive the message about leverage. We are in the process of creating a new \$25-million seed fund. We've been very happily successful in recruiting a former successful venture capitalist out of Silicon Valley, San Jose, to move to Ottawa. He and I are discussing the final details right now. Our plan is to put together a \$25-million seed fund that we'll manage there. That's going to take a while to put together, but the ability to lever this fund with private sector money is going to be huge. We think the combination of the two could be very powerful.

**The Chair (Mr. David Oraziotti):** Thank you. Just before we move on, sir, can you state your name for the purposes of Hansard?

**Mr. Blair Patacairk:** Blair Patacairk, and I work with Bruce at Invest Ottawa.

**The Chair (Mr. David Oraziotti):** Okay, thank you. NDP caucus: Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** So, Bruce, he asked a question that I was not clear about. You've been able to access—or at least parts of Ottawa or parts of the area have been able to access some of the eastern development funds, but not that whole region: Is that what I understood you to say?

**Mr. Bruce Lazenby:** Yeah, just the rural portion of it. I think from—

**Mr. Rosario Marchese:** Has been able to access it?

**Mr. Bruce Lazenby:** Yeah. So of the 2,000 companies, I'd say probably about 100 of them are geographically eligible.

**Mr. Rosario Marchese:** And the others are not?

**Mr. Bruce Lazenby:** And the others are not. That's right. So what we're—

**Mr. Rosario Marchese:** And, again, the reason for that is because?

**Mr. Bruce Lazenby:** It's the boundaries, it's the geography. Originally, when the line was drawn, it was drawn to exclude those companies. We're hoping to have the line—

**Mr. Rosario Marchese:** And can I ask you a question? Were you able to access money under the old program, the strategic jobs investment fund?

**Mr. Bruce Lazenby:** That was before my time—



**Mr. Rosario Marchese:** Do you still, or were you able to before and not able to now?

**Mr. Blair Patacairk:** We still are able to do that, yes, and we've had some limited success with the program. Again, we're talking timelines and processes. It takes an awful long time for some of these companies to get through the process, and by the time they get to eight or nine months or a year down the road, then they sort of abandon ship because they don't have the resources and time. So part of this is a process issue. We need to get our incentive programs going a little quicker. I think that's shared by all levels of government. It's bureaucratic versus industry speed. But we've had some success. We've had, not personally through our non-profit—but some of our companies on behalf of them have gone after the funding.

**Mr. Rosario Marchese:** So part of the problem of accessing money through the strategic jobs and investment fund—because you could still apply there—is process in terms of timeline, how fast they're able to deliver the money. So partly, it is a problem of government in terms of long processes, and part of it is your inability in terms of process to be able to do this in a timely way. Is that it?

**Mr. Blair Patacairk:** Well, what I'm saying is, the industry tends to work at a pretty quick speed, at warp speed. Trying to get through any kind of incentive program—whether it's federal, provincial or even city—tends to take a little longer. What I'm saying is, some of these programs—and I'm not picking on that one in particular, just in general some of the programs—take a little bit longer cycle to get through.

Bringing it back to the point of what Bruce was saying about Quebec, if I were to use that example: If I walked in behind Quebec and said, "Here's some of our programs federally, provincially, and we want to get some money on the table," and you took somebody from Quebec and had the contract put in front of them, they could literally sign a contract tomorrow in Quebec and say, "Here's your money," and walk away. It doesn't matter how fast we are in Ontario, or federally, for that matter; the processes just take a little longer. At the speed at which industry moves around the world right now, we just need to—

**Mr. Rosario Marchese:** So do we know why Quebec is able to have a faster turnaround and why Ontario can't do it?

**Mr. Bruce Lazenby:** I think it's just a question of how they decide to put the funds together. The EODF has a good reputation with business for being a responsive fund, and some of the other programs are known to be much more labour-intensive, to the point that companies just don't bother. Again, having been a technology guy and run my own company and written payroll on my line of credit—with or without my wife's knowledge at the time—I know that you just don't have time to chase everything if you think it's going to take a long time. This fund has got a good reputation. It makes a difference. We can lever it into many more companies and into many more private sector dollars.

**The Chair (Mr. David Oraziotti):** Thank you very much for your questions, and thank you for your presentation today. That's the time. We appreciate it.

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## SOUTHWEST ECONOMIC ALLIANCE

**The Chair (Mr. David Oraziotti):** The next presentation is the Southwest Economic Alliance. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government.

**Mr. Dan Mathieson:** Good afternoon, Mr. Chair. I'm Dan Mathieson, the mayor of the city of Stratford and chair of the Southwest Economic Alliance. Joining me on my left is Mr. Harry Joosten, the corporate secretary of Libro Financial Group. On my right is the president of the Southwest Economic Alliance, Serge Lavoie.

I know you've all been circulated a very brief presentation. We'll walk you through it and be happy to answer your questions.

First, to familiarize yourself with the Southwest Economic Alliance, we are 15 counties, upper-tier. We are 100 municipalities in total, and 2.4 million residents inhabit our region. We have an urban and rural mix of 50-50. Our unemployment rate is as low as 4.7% in some sections and in some communities, to a high of 10.7% in others.

Our identified key sectors, through our own research and that of the government and other organizations, are agriculture, food processing, culture, tourism, recreation, green technology, advanced manufacturing—primarily in automotive—transportation logistics and, of course, information and communications technology.

The southwestern Ontario value proposition that we believe is, because of our strong economic heritage, the region has important attributes in place, such as a very strong talent pool, a superior network of colleges and universities—we have great innovation and research capabilities spread throughout not only the private sector, but also the public institutions. We have advanced manufacturing capacity. We have excellent access to markets, and an affordable and comfortable quality of life that is well appreciated by our residents and new people to the area.

The Southwest Economic Alliance was formed in 2006. It was an early response to declines in manufacturing and agriculture, that took place at a conference in Stratford of over 400 people, bringing together academia, the private sector, the public sector and all levels of government. This has been designed as an alliance of all those sectors, as well: municipalities, senior government, private sector industries, academic institutions—colleges, universities and, of course, the research divisions—and non-governmental organizations.

Our role is to show leadership and transform the regional economy through co-operation, prescribing the triple-helix model of coming together.

We were early advocates for programs such as FedDev, and we made presentations to the federal gov-



ernment on it. We've made numerous presentations to the government and opposition members with regard to the southwestern Ontario development fund and the opportunity that it provides for our communities. Our philosophy is to leverage contributions from all sectors of the economy and align them to growth opportunities to the region. The southwestern Ontario development fund is a critical tool to spur investment in the small to medium enterprise level.

I'll just note by saying early on, many of the ideas we had with regard to accountability and leverage and, of course, a loan program, are things that we see in this bill and, we think, need to be in the bill.

I'll now turn it over to Mr. Lavoie to take us forward.

**Mr. Serge Lavoie:** Thank you. I'll state very clearly that we believe the primary focus of the fund needs to be direct and measurable job creation. We say this unequivocally because we've been hit hard by the manufacturing slowdown. There are a lot of unengaged workers in our area, and we believe that a grassroots approach to building small business is a way—some way—to re-engage these workers in the short to medium term.

We feel that given the relatively modest size of the fund—\$20 million a year—and the pent-up demand for it, quite frankly, there's a real need to focus on business start-ups, expansion and retention in the SME sector specifically. We want to do it that way because it's the best way to distribute the benefits of the fund and of that kind of business creation across every part of our region—and that would be rural, small urban and urban. As Mayor Mathieson said, we are a 50-50 urban-rural split.

We believe very strongly that this fund should include loans. We suggest that the loan portion should be as high as 80%. There's a role for grants, but we want to see businesses put some skin in the game, so to speak, and we want to offer the maximum leverage possible to the \$20 million that's been made available.

We think that the grants need to be fairly limited in their size—the \$25,000 to \$50,000 range—again, to ensure that we are leveraging those dollars into small urban and rural areas. We do not—and we underscore this—see a role for the fund in municipal infrastructure of any sort. Again, focus on small business.

We feel strongly that the loans and grants have to be evaluated based on the number of jobs that would be created and that the payout should come when the jobs have been created—again, maximum accountability to the fund.

The relatively low number of jobs we're suggesting as a threshold, as few as three jobs to qualify for the fund, indicates that we believe that the fund has to be distributed across the region to all parts of it, large and small, and that it has to be targeted at SMEs.

The private sector leverage is a unique aspect that I think we've added to the debate over the last few months. Again, we want to leverage the fund as much as possible; 8 to 1 in eastern Ontario was good. We'd prefer to see 20 to 1 or better. So we believe that there's a role for the

commercial lending sector to be involved, which means that their money gets added to the mix and is invested with business. We believe that that approach would achieve leverage of at least 20 to 1.

The commercial lending feature is probably the single most important mechanism that we can think of to immediately create direct jobs and to make sure that the funds out of the southwestern Ontario development fund go to the created jobs, not to speculative investment in machinery or what have you. There's always a role for that, but in this case, given the need, we believe that we've got to target on jobs created.

We do have some more information on that, so I will pass that on to my associate and partner Harry Joosten from Libro Financial Group, based in London.

**Mr. Harry Joosten:** Just for reference, Libro Financial Group is a credit union with 15 branches, from Chatham-Kent all the way up to Wingham and into the KW area.

On page 8, as Serge already said, the whole idea behind this is to leverage all the capital and liquidity that is already out there in the commercial lending sector. We ask and would expect that individual entrepreneurs, enterprises of whatever form, come up with ideas to either expand their existing business or create new businesses. That will be creating the jobs. They put together the business plan, and they go to a participating commercial lender, be it a credit union, a bank or any other qualified lender, and go through all the normal credit assessment procedures. The expertise is there. The resources are there. So that's the main part: Leverage what's already out there in the private sector.

The fund then would be used to reward direct and proven job creation. So at the end of one year, you have payroll records at the beginning of the year, and at the end of the year, you know how many jobs were actually created that would qualify for a job-creation credit. Then there could also be smaller credits in the second year and third year so that those are not just short-term jobs but sustainable jobs. The money is only released after the jobs have actually been created.

Then depending on the size of the loan and the number of jobs created, the entrepreneur or the enterprise could then use those funds for whatever was their best purpose: helping to pay off the loan, investing in training, reinvesting back in the business. Let the private sector do what it does best.

The other key component of this is that we suggest that there be local advisory councils, be they consortia or collaborations of local municipalities, economic development corporations or community futures corporations. They would establish an advisory council or panel. Once the credit worthiness has been assessed, they would be charged with allocating who gets participation in the fund, letting that happen in each whatever self-defined locality it is. They know the area best. They know the needs, they know the opportunities. Let them make those kinds of decisions. That would also ensure that you get some kind of regional diversity, a fair urban-rural split



and also, with local decision-making, avoid some of the politics.

Lastly, the process, just to summarize, would be businesses come up with a plan, they apply for credit with a participating commercial lender, and the loan is approved based on normal processes and criteria. The regional advisory councils would then get the application, not making a credit decision but making an allocation as to best fit with local needs and resources. Then you'd have a final sign-off, a formal legal sign-off, at the ministry level. At the end of the first year, businesses submit their records. They get the grant if it goes into second and third years. And that's really our proposal. Dan?

1510

**Mr. Dan Mathieson:** So as you can see, we've put a lot of thought into this over time. We've tried to mirror the eastern Ontario development fund, which was very successful, and the heritage fund in the north.

We believe our region, while we've stood on our own for many years, now needs a hand up, not a hand out, and we believe that the loan program helps not only stimulate economic activity but creates long-term sustainable jobs, and we believe that is really the purpose of what is contemplated by the government, and we'd ask all members of the Legislature to consider such.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. The Conservative caucus is up first, so Mr. Clark, go ahead.

**Mr. Steve Clark:** Thanks very much for your presentation. I appreciate the level of detail. Certainly your presentation is significantly more detailed than the government's bill that they've presented, so I do appreciate all the time that you've given in preparing it.

Now, one of the questions I'd like to ask is this: You've been very specific in the percentage of loan versus grant, the fact that you're promoting not only small grants, but also no infrastructure initiatives, which I find interesting. I know the non-profit component and municipal component of the grant in eastern Ontario was very rarely used, and I think the most recent time it was used was in Cornwall with Target and a rather large infrastructure development. So the split between loans and grants, some of the recommendations—is that based on feedback you have received from your partners within your consortium?

**Mr. Dan Mathieson:** I'll take that one. Yes, very much so. We find that a lot of the businesses within our region believe that if they could leverage out the opportunity, they're willing to make investments. They believe they have the capability to generate what is needed product in the new market, and they'd like to see it spread out as far and as vast as possible across various sectors.

We also have to marry off the fact that we are a 50-50 split. We have lions and giants such as Windsor and London sitting in the region, paralleled with communities such as Chatham-Kent and St. Thomas, and then, even smaller, down into Goderich. So we want to balance it

out—and we think by giving entrepreneurs across the whole sector an opportunity to leverage job creation would be its best use.

Frankly, if I could also, when we look at infrastructure programs, FCM and AMO do a great job of advocating for them. Let's not get this muddled in that water.

**Mr. Steve Clark:** No, and I appreciate that. Just one other question, Chair, if I might.

**The Chair (Mr. David Oraziotti):** Very briefly.

**Mr. Steve Clark:** The comment about the committee—I know that federally in eastern Ontario, the EODP, the federal program, is run by Community Futures Development Corp.'s very specific agreement that they signed between the feds and the province. So you would have no objection if there was an alternative delivery model where a board would sign an agreement, much like they do in the east on the federal side?

**Mr. Serge Lavoie:** No, not at all. In fact, what we're trying to do here is to put some decision-making or at least advisory capacity into our subregions to really build on the cluster effect.

**Mr. Steve Clark:** And accountability.

**Mr. Serge Lavoie:** Accountability, for sure.

**Mr. Steve Clark:** Absolutely.

**Mr. Serge Lavoie:** But the cluster effect, as well. We have so many different things going on in the southwest, it's not one type of economy, and so if Huron-Goderich has a particular approach that it wants to use, give them some input into that.

**The Chair (Mr. David Oraziotti):** Thank you for your input on that. Now we need to move on.

Mr. Marchese, have you got a question?

**Mr. Rosario Marchese:** Some quick questions, because I liked the presentation. Have you had discussions with other ministries' officials and/or ministers' assistants, by any chance?

**Mr. Dan Mathieson:** If I could, we have been unrelenting in our approach, not only to OMAFRA but MEDT, to ministers across the region, and we have had lots of discussion with them, have made our points known. We have advocated just as hard to members of the opposition as we have to the government. Mr. Joosten took it upon himself to get out and start meeting with MPPs on our behalf.

**Mr. Rosario Marchese:** My question is, were they sympathetic to these arguments?

**Mr. Dan Mathieson:** They gave us a very good hearing of it and listened to much of what we said. Some of these items are in the bill, and I heard the minister use some of them today.

**Mr. Rosario Marchese:** Okay. Well, we're not sure, but we are thinking of making some amendments to this bill, and I support a lot of what you said, because it's in line with our thinking. So where there are amendments to be made in line with that, we're going to certainly move them.

**Mr. Dan Mathieson:** Thank you.

**The Chair (Mr. David Oraziotti):** Mrs. Cansfield.



**Mrs. Donna H. Cansfield:** Thank you very much. Hi, Dan; it's nice to see you. It was an excellent presentation.

I have a question for you, because I think it was raised by Mr. Clark as well, and it's the whole issue around the not-for-profit groups, and it certainly is a very significant business in our communities. I wonder if you could elaborate just a little bit more on what you think and how you think we could encourage more participation.

**Mr. Serge Lavoie:** Why we didn't advocate 100% loans is that there are going to be instances where excellent co-operative projects will be available to communities or some regions through the NGO sector, and we wanted to give some leeway in there. So 20%, 25%—\$4 million to \$5 million a year—would be, I think, a really good use of that money to target those kinds of co-operative projects. We're a co-operative ourselves, and we know that lots of co-operatives, all sorts of NGOs, come up with good things, especially around immigrant retention and recruitment and some of the other issues. So we're certainly not advocating 100% into loans. We want some of that reserved for good ideas in the NGO sector.

**Mr. Harry Joosten:** Just a follow-up on that: There would be nothing to prevent, even if they're a not-for-profit organization, for applying for one of the loans, if they had a business plan for a project or program or enterprise that showed it could sustain itself and repay the loan. We do lots of lending to non-profits as it is now.

**Mrs. Donna H. Cansfield:** Thank you. I would be interested in pursuing that conversation with you as well, if we could touch base. Thanks.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation today. It's time.

#### DISTRICT OF MUSKOKA

**The Chair (Mr. David Oraziotti):** Next presentation: District of Muskoka. Good afternoon, folks. Welcome to the Standing Committee on General Government. As you've been hearing the format of the presentations, you've got 10 minutes. So whoever is speaking, please state your name and you can proceed when you're ready. Thanks.

**Mr. Graydon Smith:** Thank you very much. Graydon Smith, mayor of the town of Bracebridge. Also with me today is Scott Aitchison, deputy mayor of the town of Huntsville, and Alice Murphy, mayor of the township of Muskoka Lakes.

First of all, Mr. Chair and members of the committee, I'd like to say how much we appreciate the opportunity to appear before you today to discuss the southwestern Ontario development fund and its subsequent boundary map.

Currently in the consultation paper produced by the ministry, the Muskoka region is omitted. If the boundary outlined in the paper is used to establish the fund, the impact on Muskoka could be catastrophic, as it would be the only region in Ontario that would not have access to development-type funds like those currently available

through the eastern Ontario development fund and the northern Ontario heritage fund.

It should be noted that for a short period of time, Muskoka was included in northern Ontario. However, in 2004, the provincial government removed Muskoka from the designated northern Ontario region. In addition, Muskoka sits within the Parry Sound–Muskoka electoral riding at both the provincial and federal level. Within the provincial sphere, Muskoka is part of the riding considered south-central Ontario, while at the federal level, Muskoka is considered in northern Ontario.

Our area is oriented towards the south. We are served by the government through the Ontario Ministry of Agriculture, Food and Rural Affairs, through their central Ontario office; the Ministry of Economic Development and Innovation, through their central Ontario office; the Ministry of Tourism, Culture and Sport, through central Ontario, through offices in Bracebridge and Huntsville; and the Ministry of Municipal Affairs and Housing, of course, here in Toronto. Therefore, we submit that if a southwestern Ontario development fund is established, the benefited areas of southern Ontario should also include Muskoka.

The communities and businesses of Muskoka are in great need of assistance; make no mistake about that. Muskoka has a permanent population of over 60,000 people, and in addition, the area has the potential for an additional 75,000 seasonal residents who utilize their summer homes located throughout the district.

Since the early 2000s, the area has suffered significant job losses in the manufacturing sector. Most buildings that once housed hundreds of employees are vacant, underutilized or have been torn down. I have included a summary in the presentation of major companies and jobs that have been lost, and I'll quickly run through some of those numbers: 160, 400, 30, 500-plus jobs gone, 50, 130, 300, recently 90, 63. The total starts to get very grim and the count adds up quickly. I rhymed off over 1,700 job losses since the early 2000s in the last 10 seconds.

Of course, those aren't the only casualties. There are spinoff effects of those job losses that affect the community in a very negative way, and the impacts range from additional loss of employment through those spinoff jobs to declining corporate sponsorships, to underutilized buildings and lands.

The downturn in the economy worldwide has further impacted our community in recent years as we have seen additional slowdowns in our construction sector as fewer seasonal residential projects are being undertaken, and we've seen slow growth in residential areas. The construction sector, a leading, surviving part of our economy, is slowing down, and tourism is slowing down as well.

1520

Each of the communities in Muskoka faces localized issues that impact the ability of the area to create and sustain jobs. Over the past two years, Gravenhurst has been dealing with the impact of two fires in their down-



town that have resulted in the loss of buildings as well as businesses and related employment opportunities. The community is undertaking a significant downtown revitalization effort that is primarily hoped to restore the confidence of the business community.

The Muskoka economy is dependent upon the tourism industry, and this industry is seasonal, with great influxes of visitors during the months of July and August. This means that the majority of businesses in the region must make their yearly revenues within an eight- to 10-week period. Although many initiatives are in place to increase the level of visitation to the area, the sheer magnitude of the seasonal economy results in a number of issues, including affordable housing, lower wage rates, lower annual incomes and unemployment.

Many of our smaller communities, such as Bala and Baysville, have numerous businesses that operate only during the summer months. The indicators for the region demonstrate the inequity of income levels in the district resulting from the dependence on tourism, even prior to the loss of a significant number of manufacturing jobs between 2002 and 2012. I note our 7.5 % unemployment rate, an Ontario Works caseload that has increased 90% over the last four years and now includes 960 families, a lower-than-average income in Muskoka, and a median family income 12% under the provincial average.

The reality is, times are very tough in Muskoka, as times are tough throughout the province, but for some reason we continue to be painted as Ontario's playground, where everything is okay and it will continue to be okay, and it is not okay. We cannot be a hole in an economic development doughnut. We cannot be the only ones left out of the game. We need that same footing that all areas may well, if this bill passes, have. We're working hard to turn the tide on our own, but that becomes impossible in the absence of that level playing field.

I want to reiterate that we're not all millionaires in Muskoka. There are a lot of hard-working families, and we service a distinct number of different communities within Muskoka. I represent all those communities today, from townships to towns, from employment areas to tourist areas. I'm here with my fellow mayor and deputy mayor representing the other mayors who could not be with us because we're all very concerned about the boundary of this potential development fund.

Citizens are struggling to make ends meet. As I've talked about, unemployment grows, Ontario Works caseloads grow, the median income is not what it could be or should be, and we cannot survive solely on tourism. We need the opportunity to attract manufacturing back to Muskoka—that which we lost.

The traditional model of tourism is changing; therefore, what we have left is under threat. I talked about the construction industry. It's not what it once was. The tourism industry is not what it once was. There is trouble recapitalizing those properties that have aged over time, and the challenges from other tourism markets continue to put pressure on the Muskoka tourism market.

People like to think we're special in Muskoka. We certainly love Muskoka and we believe we've got a beautiful part of Ontario to call our own. But at the end of the day, to reiterate, we struggle with the same problems that every community in Ontario struggles with. We need jobs for our citizens, we need sustainable opportunities and we need a Muskoka that is strong and will help all of Ontario be stronger.

We thank you for the opportunity to speak today. I'm not sure if we have any time left, Mr. Chair, but Deputy Mayor Aitchison may have some comments that he wishes to add to my presentation.

**Mr. Scott Aitchison:** My name is Scott Aitchison. I'm the deputy mayor of Huntsville. I don't need to add much to that very eloquent presentation by my colleague here. I guess the only thing that I would like to add, really, is that, the facts being the facts, Muskoka does struggle more than I think most people realize. I guess the important thing from my perspective is that the economic vibrancy and vitality of Muskoka is good for other regions of the province, as well as the importance of the economic vitality of Simcoe is good for Muskoka. The economic vitality of the GTA and this Golden Horseshoe region as the engine of the province: That's good for all Ontario. What's good for Muskoka is also good for Ontario, and our message is: Please don't leave us out.

**The Chair (Mr. David Oraziotti):** Thank you very much for your—would you like to make a comment?

**Ms. Alice Murphy:** Sorry, if I might as well: We have been rated the number one tourist destination in the world, and yet we're branded by the mystique of Muskoka. It's believed to be this incredible playground of the wealthy, and absolutely, there is that element. For the permanent residents of Muskoka, it's a hardscrabble, tough, tough life where incomes are well below provincial averages.

I just want to speak about education for a moment. In our Gravenhurst High School, which is a catchment area for a large part of Muskoka, my understanding is that only 11% of the kids who attend the high school there graduate in their first crack and go on to the university.

My daughter goes to a high school where 99%—she doesn't go to high school in Muskoka—of her graduating class goes on to the university of their choice. We are a have-not society being hidden under a have, and we're going to be islanded. We will literally be the only place in Ontario that does not have access to this fund, and it's almost incomprehensible to our permanent residents. So we'd really ask for your consideration.

**The Chair (Mr. David Oraziotti):** Okay. Thank you for your presentation. We've heard all the comments. We're probably a little longer on the deputation side here, so if I can ask members to keep their questions brief, that would be great, thank you. Mr. Marchese.

**Mr. Rosario Marchese:** Thank you for the presentation. Clearly, there are a lot of millionaires who own cottages, and they probably come from Toronto. But it's also clear that a lot of people live there who are not millionaires, and that's obvious.



You raise a good point. We all have a political problem, particularly the current government, which has introduced this fund that shuts you out in a way. That creates a problem for us all. Have you had discussions with the government about that? If you create an eastern fund and a western, and there's a northern heritage fund, and you don't belong anywhere, it does create a problem. Have you discussed that with them, and what do they say?

**Mr. Graydon Smith:** I have not had any opportunity for direct discussion, but certainly the views of all the communities in Muskoka have been represented by a letter to the minister with regard to comment on this bill. That's why we're here today, to underscore that point.

**Mr. Rosario Marchese:** No response, obviously, to your letters?

**Mr. Graydon Smith:** Not to this point, no.

**Mr. Rosario Marchese:** Good points. I appreciate it very much.

**The Chair (Mr. David Oraziotti):** Mr. Delaney, go ahead.

**Mr. Bob Delaney:** Clearly, with the calibre of some of the people who choose to live in Muskoka, I'm sure you've had a chance to brainstorm what type of investment or business would represent your road to the future, if you will. What are the three or four things that you've landed on in your consultations?

**Mr. Graydon Smith:** Well, I think certainly going forward—by the way, thank you for the question—we are very fortunate to have a number of great brains in Muskoka to turn to and talk about our future.

Education certainly has been a priority—and the development of a post-secondary education market, which is occurring in Huntsville and Bracebridge currently. We know that some of the existing markets are going to be our future going forward. The construction market isn't going to go away because we do have a lot of available property in Muskoka that can still be developed. We're also seeing tourism still obviously being a major player as we go forward in the future.

But it's that manufacturing component. It's the losing what we once had, and those were high-paying jobs and jobs that made a difference in the community. They can't be replaced by a seasonal service job; they need to be replaced by something that is equivalent or better.

Of course we're going to continue those discussions going forward about being the best we can be, but that still doesn't mean that we don't need to be part of a development fund just because we have some good brains to sit around and think about some possible ideas for the future. All those ideas will need to be funded. Again I reiterate, if the areas around us are able to provide the funds that Muskoka is not, we're always going to be at a disadvantage.

**Mr. Bob Delaney:** Just quickly, then, you mentioned manufacturing. Have you settled on a number of specific classes or types of things to manufacture?

**Mr. Graydon Smith:** I think within the strategic plans of each the communities, you would find specific

items. Again, I'm here representing six mayors from Muskoka and the district chair today. There are three, of course, primary urban communities and three township communities within Muskoka. We certainly all work together the best we can to find the synergies in the ideas that we have, and each community has its own distinct ideas as well.

I don't want to comment on all of the ideas that have come up from every community, but going forward, there are identified synergies, as I said, and ideas that I think will carry us.

Mayor Murphy may have a comment on that as well.

**The Chair (Mr. David Oraziotti):** Okay.

1530

**Ms. Alice Murphy:** I'm not so good with the button.

You know, the biggest challenge we have in Muskoka is that it's a very seasonal economy. So our objective is to take that seasonality out of it and make it sustainable four seasons.

I just want to comment. We all hear about global warming, but this year we didn't have a snowmobile season. There was not enough ice and the season was simply not long enough. Our economy is also highly dependent on the maintenance of our environment. We can't be a tourist attraction if we downgrade our environment in any manner. So it's a very delicate balance, where we need sustainable four-season jobs, and the path in terms of incorporating a creative economy is really what we're looking for. But we need assistance. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Mr. Clark.

**Mr. Steve Clark:** Just very quickly, Chair—I know we're over time.

You talk about great minds in your area. I think we've had three great minds present to us today from the municipal side. I know you have two great minds, federally and provincially, with Norm Miller and Tony Clement who represent you.

You mentioned earlier in your address that, federally, you're in the north. So the Muskoka CFDC: Does that cover all your municipalities? The Muskoka Community Futures Development Corp.

**Mr. Graydon Smith:** Yes, it does. Mr. Brushey, the executive director, wished to be here today and sends his regrets because he's under the weather. It does cover—

**Mr. Steve Clark:** So they're the ones who would be your representatives federally. They would administer some of those federal programs as well.

**Mr. Graydon Smith:** They are funded by FedNor, but of course FedNor does distribute funds via other means than dealing with them directly. So they are able to assist business in certain areas. But I would say that in many cases, they're a lender to the atypical or to those that can't find financing in the current marketplace but that may have a great idea, and we're very thankful for that. But they have a relatively small pool of money to do that funding with and a relatively limited mandate. Part of it is the funding and part of it is: Why would you consider



excluding Muskoka exclusively if everyone else is to be covered? If that's the way that this proceeds, I think there is some very real justification that needs to be explained to the people of Muskoka.

**The Chair (Mr. David Oraziotti):** Thank you for your time and your presentation.

**Mr. Graydon Smith:** Thank you.

#### ERIE MEAT PRODUCTS

**The Chair (Mr. David Oraziotti):** Our next presentation: Erie Meat Products. Good afternoon, and welcome to the Standing Committee on General Government. As you know, you have 10 minutes for your presentation. Any time you don't use will be divided among members of the committee. You can start by stating your name and proceed when you're ready.

**Ms. Bernia Wheaton:** Thank you, Mr. Chair. My name is Bernia Wheaton, and I'm the director of business development at Erie Meat Products.

Erie Meat Products is 100% Canadian—in fact, Ontario-owned. For the last 35 years, we've been a food processor of poultry, beef and pork products. We've supplied our institutional, our food service and our retail customers throughout North America.

I actually joined Erie Meats about 10 months ago, but prior to that served as the economic development officer for the county of Perth. As you know, Perth county is in the heart of southwestern Ontario. Perth county's economic development office was actually created in 2008—and it was partially funded by an Ontario-based economic development program—to address the needs that business raised in dealing with business retention and business expansions. We're very familiar with the success of economic development programs in Ontario.

Shortly after our office was created in 2008, Campbell's Soup announced that they would be shuttering their plant in Listowel and we would be losing 500 jobs. As you can imagine, in a community of 6,500 people, 500 jobs was devastating. I know that many of you have experienced such loss in your own communities. Our unemployment rate went from 4.3% to 7.8%. We were left with a federally approved food-grade 300,000-square-foot food processing facility that was vacant. It's a monster of a facility, but it certainly had tremendous potential for the right buyer.

We had a number of people express an interest, but it was Erie Meat Products that saw both a short-term and a long-term potential for that facility. In the short term, they were very interested in the 80,000-square-foot freezers that would allow them to expand out of their Mississauga operations and prepare for global exports of their upcoming products. But operating as a cold storage or warehouse facility would be limited job creation, so as an economic development officer I felt like we had to find a way to expedite them into food processing at that facility.

In December 2009, the deal closed. Erie Meats became the owner of the facility and at the time there were

four full-time equivalent jobs: the guards in the guard shack. We worked with them to develop a plan to put together a program of how we could bring them back into full food production at that facility, which is what the facility was originally built for 48 years ago. We applied to the rural economic development fund administered through OMAFRA. We presented a plan to recommission that facility that had been shuttered by Campbell's Soup.

In March 2010, Ontario invested \$3 million in Erie Meats to expedite production and create jobs. Has Ontario seen a return on that investment? Let's take a look at the numbers.

Erie Meats used that \$3 million and parlayed it into a \$15-million investment. You've talked about leveraging funds; I think that's an excellent example of leveraging a program. That \$3 million went into renovations, went into recommissioning that facility, it went into electrical jobs, mechanical jobs, millwrighting jobs, metal fabricating jobs, the purchase of equipment and installation—all of those high-value, high-paying jobs. Much of those funds went directly into our community in the short term.

We launched into production in October 2010 with a state-of-the-art wiener production facility. Today, we have approximately 250 full-time equivalent jobs in that facility and we're on our way towards 500, which is our three- to five-year growth plan. It turns out you can't just have 500 people march into a plant on the first day; you have to hire them on line by line.

Since that initial wiener production facility, two other production lines have gone in and the wiener production line has just added a second shift since March break.

Two hundred and fifty jobs means \$6.3 million in annual labour income at a very conservative 20% income tax rate. That translates to \$1.2 million in income tax payable. That allows people to buy cars, buy houses, buy bikes and backpacks for their kids. The spinoff multiplier effect in our community is noticeable.

Two hundred and fifty people working means that we've saved \$5 million in EI payments, if those people were to have been on assistance.

Three million dollars has led to an increase of \$34 million in exports, as Erie Meats now produces product that goes to 15 emerging nations around the world. Erie Meats is currently shipping three million pounds of food a week out of that facility in rural southwestern Ontario.

Two years later, Perth county's unemployment rate in 4.7%, while many of our communities are sporting unemployment rates of 7%, 8%, 9%, 10%, 11%. We believe there is a direct correlation between this \$3-million investment, the creation of jobs and the lowest unemployment rate in Ontario.

We believe that Bill 11 will attract investment. Bill 11 will create jobs. Bill 11 is the tool that every economic development officer needs in their tool kit as they're addressing the needs of businesses that are looking to retain jobs and expand jobs in their community.

Erie Meats is the story, it's an example of how economic development programs work. It's how they bring



the hope of a job to a community that was devastated and I know that the other communities that are dealing with that in southwestern Ontario can benefit from these types of programs. A job is what the constituents throughout southwestern Ontario want and need.

That's our story.

**The Chair (Mr. David Oraziotti):** We're going to start with the Liberal caucus. Ms. Cansfield or Mrs. Piruzza?

*Interjections.*

**The Chair (Mr. David Oraziotti):** Ms. Piruzza, go ahead.

**Mrs. Teresa Piruzza:** Thanks for your presentation. As you said, it's certainly a success story. Good for you and the area for the investment and what it's resulted in.

I guess one question I would ask is, how important was that \$3-million investment in terms of your actual development and the business plan? If that wasn't there—and I know you're kind of having to guess at that if that wasn't available—

**Ms. Bernia Wheaton:** I know exactly. I remember the conversation specifically with the management. I was the EDO at the time, sitting down with the management of Erie Meats and saying, "If we could find investment, how quickly could you move into production as opposed to at a much later future date?" It was the catalyst, it was the tipping point, that had us sit down and write that plan and recommission that shuttered facility.

1540

**Mrs. Teresa Piruzza:** Okay, thank you. I appreciate your comments too, in terms of the tool like this in their tool box that economic development officers need as well. It's evident that you've lived it and you've seen it successful. Perfect. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you.

**Mrs. Donna H. Cansfield:** If I may, again, I'd like to thank you for your presentation. I think what you've tried to present is a balanced approach to that—in fact, investment does accomplish the goals that have been set out and that it is a catalyst to job creation, and I appreciate that. I just wanted to let you know I'm a self-confessed hot dog person, so good for you.

**Ms. Bernia Wheaton:** It was my protein of choice when I was pregnant.

**The Chair (Mr. David Oraziotti):** We need to move on. Mr. Clark, go ahead.

**Mr. Steve Clark:** Thanks for your presentation. It was a refreshing success story, showing what you can do with a decommissioned plant. In fact, my constituency is very similar. We had a plant in Brockville that at one point had 1,000 employees. The plant closed. The person who purchased the building—a great entrepreneur—in his case, he did it all with his own money, but he managed to sever the building and have some public sector-private sector. So there are lots of success stories.

I know that in your presentation you talked about a \$3-million investment by OMAFRA under the RED program. Typically, the way the eastern Ontario development program existed to date, its maximum was \$1.5

million. You heard the presentation earlier that talked about changing the criteria to make it more loan-based. I think they used 80% being loan, in contrast to a grant. Any feeling on that? I know you received significantly more money than our program, but I'd like to hear your thoughts.

**Ms. Bernia Wheaton:** The \$3 million in our case was desperate measures for desperate times, and it was certainly the investment that our community needed to make this project happen. There was actually also a \$3-million FedDev loan that was part of this spend and so leveraged funding loans. I do believe that there is tremendous merit in a blended mixture of loans and grant, and I would go as far as to say that it should be a graduated scale, depending on job creation.

**Mr. Steve Clark:** Yeah, and I know that in the east there's no stacking right now. We've got the eastern Ontario program and fund, and there's sort of a mixture, because one is done by the ministry and the other is done by a more community-based board. So you found the fact that you could stack was pretty crucial to your program, wouldn't you say?

**Ms. Bernia Wheaton:** It was administratively challenging, but it was crucial.

**Mr. Steve Clark:** Thank you.

**The Chair (Mr. David Oraziotti):** Mr. Marchese.

**Mr. Rosario Marchese:** Thank you, Bernia, for the presentation as well.

Steve made reference to the Southwest Economic Alliance. I agree with the blended formula as well. They strongly agreed on loans as well, particularly that grants—and I suspect he might have said "loans" as well—should be limited to lower levels of funding so that you could generate more and help more people. So I'm assuming that you agree with that too: a blend of lower loans or big grants and small grants—I'm assuming you agree with that. Right?

**Ms. Bernia Wheaton:** I believe that there should be a direct correlation to job creation. When you look at this formula, the job creation was the equivalent of \$15,000 per person—that's not even a year's wage—from the granting portion. So I believe that there needs to be some sort of formula put in place that measures the value of a job and its immediate return.

**Mr. Rosario Marchese:** They did say that the money from the fund is released only when jobs are proven to have been created. Do you agree with that?

**Ms. Bernia Wheaton:** I believe that in some sectors, that might work. In the food sector and certainly with this type of build, it was 10 months from concept to the first hot dog running off the line. It certainly would have been a long process before we would have seen any funding, and yet we would have found a way to make it work. I think the hope of funding is always more valuable than a lack of funding.

**Mr. Rosario Marchese:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. It's time.

**Ms. Bernia Wheaton:** My pleasure.



# WINDSORESSEX ECONOMIC DEVELOPMENT CORP.

**The Chair (Mr. David Oraziotti):** Folks, our next presenter is on teleconference: the WindsorEssex Economic Development Corp. I believe Ron is on the phone with us. Hello, Ron, are you there?

**Mr. Ron Gaudet:** Yes, I am. Can you folks hear me?

**The Chair (Mr. David Oraziotti):** Can we raise the volume a bit?

**Mr. Ron Gaudet:** Hello? I'm here. Can you hear me okay?

**The Chair (Mr. David Oraziotti):** Ron, you're here with the Standing Committee on General Government. We thank you for your time today. You've got 10 minutes for your presentation. We're listening, so if you want to start by stating your name for the purposes of Hansard, you can start, and then we'll divide some time up for members' questions.

Ron, can you hear me?

**Mr. Ron Gaudet:** Hello?

**The Chair (Mr. David Oraziotti):** Ron, you've got 10 minutes for your presentation. Go ahead and start.

**Mr. Ron Gaudet:** Okay. Thank you very much, Mr. Chairman. My name is Ron Gaudet from the Windsor-Essex Economic Development Corp. I'll be brief. I won't take my full 10 minutes, but I do want to thank you for the opportunity.

Economic development and community development are a complex and wildly misunderstood discipline. It is viewed in many ways and assessed in many ways, yet in its simplest form it's about creating and maintaining jobs and building community and regional capacity, i.e., HR development, infrastructure development and that type of thing.

The region that I represent, I think you all know, has gone through a considerable period of difficulty, as much of Ontario and Canada has, probably this area more than most others, given its reliance on the auto sector and the industries that permeate out of that. If we look at two short years ago, where we had an unemployment rate of over 15%, where we had a loss of many of our companies and where we had an out-migration of many of our educated workforce, that presented a number of challenges. Since that time, we've been very, very intent on working with a regional strategy from the standpoint of: How do we move this region forward?

The economic corporation is focused on five pillars: small business and entrepreneurship, business retention and expansion in the region, bringing in new investment to the region, and something that we here call community capacity-building—that has to do with: how do we ensure that we have the HR training and infrastructure to support that, how do we have the infrastructure that supports industry growing in the region? Finally, the fifth pillar is marketing the region—on an indigenous level, giving people a sense of what it's like to live and work in this region, and then take that message to a broader audience.

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As well as those five pillars, in our five-year regional road map, we're focused on moving nine sectors of the economy forward. These are sectors that we, as a region, have inherent strength in at this time, so we're not kind of looking for that next wonder drug, if you will, but we're looking at building on our inherent strengths.

We're also looking at building on 10 regional objectives. The number one objective that we've been focused on for the last year is that of a broad-based, collaborative effort as it relates to community and economic development. So we're very, very intentional about trying to move our region forward. We've had some wins on all of those efforts in the last year, creating 500 small businesses, maintaining over 6,000 jobs in our region and adding an additional 1,800 jobs in terms of investment, but it's an ongoing challenge. We need to be tenacious about moving this region forward.

So in that vein, while there could be a fairly significant debate about whether government incentive is a way to go and a way to continue, I think, given the reality of the world today, given the reality of the economy we're in and given the reality of the diversity that we have in Canada—out east, having ACOA and other provincial agencies that really focus on this kind of support; out west, having the Western Diversification Program and provincial programs—it's incumbent upon this region to have programming that can support a collaborative, collective approach on economic development.

We are trying to work as a region—Windsor and Essex—in a collaborative effort, but we're also mindful of the fact that we're part of a larger regional economy. If we draw that a little bit further, we can talk about southwestern Ontario, we can talk about southern Ontario, and on a global context, we can talk about Ontario as a province. While we're trying to move things forward within our region, we also see a need to have a more broad-based view, if you will, in terms of economic development. So we would welcome and encourage government to have money set aside that's earmarked to support regional development efforts.

I personally would like to have the caveat in there that it needs to be regional in scope, that it needs to promote co-operation, that it needs to bring academia, industry, communities and organizations, such as ours, together. I think that that should be part of the criterion, but that's a personal preference more than anything.

I do agree with the last speaker that there should be some funds earmarked at supporting private sector initiatives. My only concern in that would be one around the amount of funds that we're talking about. It's going to be difficult to be all things to all people, but I think that what is being proposed for southwestern Ontario is a very good start.

With that, I'll turn it over to questions and/or comments.

**The Chair (Mr. David Oraziotti):** Okay, thank you very much for your presentation, Ron.

We're going to start with the Conservative caucus on rotation here. Mr. Clark, go ahead.



**Mr. Steve Clark:** Absolutely. Thanks, Chair. Thanks for your presentation, Ron.

There were a number of folks this afternoon who made a presentation and talked about different models for delivery. As you know, the eastern program operated for the last four years, but there have been some recommendations today to sort of change the split to make it more loan-based. A presenter also even said that it shouldn't contain infrastructure improvements. Do you have any opinion on the makeup of the program specifically?

**Mr. Ron Gaudet:** I don't think that I would disagree with that. I do think that a portion of the program—I don't pretend to have the magic number—should be allocated towards loans for the private sector, whether they be low-interest or interest-free or forgivable after a period of time if the jobs are created. I do think there's some merit in that, and there's a lot of precedents around that if you look at other parts of Canada.

I would agree that in terms of physical infrastructure—I hope I don't make any enemies here—but in terms of physical regional infrastructure, I just think that unless you're talking hundreds of millions of dollars, which I don't think you are, the dollars that are allocated have to be very strategically placed, and they should be dollars that leverage other activities. I think there are other programs to address infrastructure needs in the region.

**The Chair (Mr. David Oraziotti):** Okay, thank you, Ron.

Mr. Marchese, the NDP caucus.

**Mr. Rosario Marchese:** Hello, Ron. You did say that you would want to open it up, or at least have the criteria opened up so that there are different alliances that come together, because the eastern fund was aimed mostly at private sector companies. But based on your comment, I'm assuming you would like to open it up so that municipalities would be eligible, and non-profits and universities, presumably, as well. Is that the case?

**Mr. Ron Gaudet:** Well, I think that specifically to my point—and I'm a come-from-awayer; I've been on the east coast for most of my career, moved to southern Ontario a few years back to sort of take on this challenge of evolving the economy. Quite frankly, while this region is blessed with an amazing basket of opportunities—whether we're talking human resource skills or whether we're talking industry knowledge, skills and infrastructure—there's probably historical rationale here, but there is not the level of co-operation historically that needs to happen to really move sector development forward. I'm simply stating that I think a criterion that embraces collaboration—and I don't think there should be a free-for-all on who can apply, but perhaps a regional body like an economic development corporation and/or a regional group if they are to make requests, where they can demonstrate that they've reached out to academia, to either colleges or universities, that they've reached out to industries. What that does is it ensures that your dollars are again leveraged at the community level.

**Mr. Rosario Marchese:** Thank you, Ron.

**The Chair (Mr. David Oraziotti):** Thank you very much, Ron.

Liberal caucus: Ms. Piruzza, do you have a question for Ron?

**Mrs. Teresa Piruzza:** Hi, Ron. It's Teresa. How are you?

**Mr. Ron Gaudet:** Good, thank you.

**Mrs. Teresa Piruzza:** Good. We're straining to hear you, so this is just for the committee members here, just to let everyone know what a great job you do in economic development in Windsor as well. I know a couple of weeks ago, you did your report on the year in terms of what's been happening in Windsor-Essex—certainly, leveraging a number of the investments that took place in the Windsor-Essex area and really keeping your finger on what's going on in terms of the southwest region as well. Of course, we had our consultation locally as well with respect to this bill and this fund.

Now, just to some of your comments, Ron: In terms of the fund itself, in terms of working as a region, collaborating and bringing academia in, would that be kind of the front end of the investment? Some of the comments have been really to tie or not to make the investment until the jobs have been created, which may, I think, create a timing issue for some investments. Just with your experience in terms of investments, how would you see it coming forward in terms of, if this fund were available and you were marketing the fund, what would be the best way in terms of suggesting or indicating that this was available?

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**Mr. Ron Gaudet:** Thank you, Teresa, and thank you for your comment.

I don't pretend to have all the answers on this. I would like to see a portion of the program earmarked for advancing well-thought-out regional strategies. In this region, we do have a five-year road map. We're one year into that. We've created a lot of synergy and a lot of traction, and I think we have jobs that more than validate the rationale for the strategy.

It would be nice to have a pool of funds so that we could leverage the good work that has been done. That's what I mean by bringing in stakeholders.

In the criteria, however this gets administered, I think another check mark should go towards collaborative effort. Let's say that you score 70 out of 100; I think a check mark and another 10 points if it's regional in focus, and another 10 points if it's collaborative and not just for one organization, but can either move its sector forward or elements of a regional strategy.

Again, I know I'm being a little vague here, but my fear, quite frankly, is the dollars that are being talked about. If we fragment it too much and it's a whole lot of trying to address all the needs, I think that it'll be a challenge in five years from now to really see where the dollars have paid off. That's why I like the idea of leveraging and partnership and regional.



**The Chair (Mr. David Oraziotti):** Thank you, Ron. I appreciate your comments. Thanks for your presentation. That's the time we have for it today. Keep up the good work.

#### REGIONAL MUNICIPALITY OF DURHAM

**The Chair (Mr. David Oraziotti):** Okay, folks, we're going to move on to our next presentation: the regional municipality of Durham, if you'd like to come forward. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation. Any time that you don't use will be divided among members of the various caucuses to ask questions of your presentation. Just state your name for the purposes of our recording Hansard, and you can begin when you're ready.

**Mr. John Henry:** Good afternoon, Mr. Chairman. Before I begin, I'd like to point out to the committee that I'll be sharing my time with Gary Strange, president of the Ajax-Pickering Board of Trade, and Dan Miles, vice-president of the Whitby Chamber of Commerce. We also have Kathy Weiss, director of economic development and tourism for Durham region, and Kathy McKay, executive director of the Ajax board of trade.

My name is John Henry, and I'm the mayor of the city of Oshawa and a member of Durham region council. I'd like to thank the committee for the opportunity to speak about the Attracting Investment and Creating Jobs Act, 2012.

Our goal here today is to seek fair treatment for the people of Durham region. If this bill passes as written, our region will not be eligible for any of these economic development dollars.

In Ontario today, we have the eastern Ontario development fund, which stops at the eastern border of Durham region. We have the northern Ontario development fund, which benefits the people in the northern communities. The southwestern Ontario development fund, as proposed, would stop at the western border of the GTA, but would include municipalities such as Barrie and Burlington.

This is not only a matter of fairness, but it severely disadvantages Durham region during these difficult economic times. If this bill is passed as written, the majority of the province will have access to funding which Premier McGuinty says will bring new opportunities and jobs to those specific regions.

I firmly believe the government of Ontario should be taking a broader approach to economic development. As the manufacturing heartland of Canada, communities in every corner of the province have been impacted by the global economic downturn, and Durham region was no exception. As many of you know, at one time, the automotive industry was the largest employer in Durham region, with GM alone employing more than 20,000 people. Today, a fraction of those jobs exist in the Durham region. GM is downsized and the spinoff jobs have disappeared.

On a positive note, we've made tremendous strides to diversify the regional economy. The University of Ontario Institute of Technology, Durham College and Trent University are growing and attracting more students, faculty and staff. Academia is now the city of Oshawa's fastest growing industry.

Lakeridge Health is increasing its capacity and expertise with attracting top-notch doctors, nurses, staff and support staff.

We need to look beyond our borders to try to attract new investments and more jobs. We need to grow our economy even further for the benefit of the region, the province and the country. The challenge for us is that the common objective is that of every community across Ontario. My municipality colleagues are also seeking new investment and more jobs.

The critical difference is that they will have access to economic development dollars, and Durham region won't. Again, this puts Durham region at a significant disadvantage. It's simply not fair. We're not asking you to increase the \$80-million southwestern Ontario development fund. We are asking that we be eligible to access it.

I encourage the committee to propose an amendment to the bill to include Durham region in either the southwestern Ontario development fund or the eastern Ontario development fund. I thank you for your attention.

Now I will call on Gary Strange to make a few comments.

**Mr. Gary Strange:** Thank you, Mayor Henry. Ladies and gentlemen of the committee, I appreciate the opportunity to speak with you today.

The mission of the Ajax-Pickering Board of Trade is straightforward: to encourage and foster free enterprise and economic development, to support good government and create and maintain a positive business climate in the community. I can assure you, the mission of boards of trade and chambers of commerce is similar in communities right across this province. These organizations are actively working to attract investment, create jobs and grow their local economies.

Clearly, the various regions across Ontario compete to attract investment, and they will use any and all tools at their disposal to gain an advantage, such as their skilled workforce, local research and education facilities and entertainment attractions. We can live with that. However, when one region gains an unfair advantage through the use of provincial economic development dollars, we cannot support that.

Business organizations across Durham region applaud the government for establishing these various economic development funds. Providing economic stimulus in this uncertain global economic climate is prudent, but the bill, as written, omits Durham region and will lead, we believe, to unintended negative consequences for our regional economy.

Durham region is obviously a part of the greater Toronto area, but our needs and realities differ from those of metro Toronto. We do not have the largest finan-



cial district in Canada and all of the economic benefits that go with it. We do not have Canada's largest international airport and all of the economic benefits that go with that. We do not have the 407 highway and the economic benefits that go with that—at least not yet, but we're being patient.

When introducing the bill, Premier Dalton McGuinty pointed out that "The fragile global economy has created uncertain times for families in southwestern Ontario." The economic downturn has also had an impact for us in Durham region. Our unemployment rate is currently 8.3%. Compare that to southwestern Ontario's average of 7.5%, Kitchener-Waterloo's unemployment rate of 7.1% and St. Catharines' unemployment rate of 8.1%.

As Mayor Henry mentioned, we have made tremendous strides to diversify our regional economy, but with the introduction of the southwestern Ontario development fund as proposed, we fear that progress could be reversed. The existence of grants or repayable loans in some regions will likely lead to the enticement of companies to move away from Durham region, should the decision need to be made about whether to reinvest locally or relocate. The availability of such financial incentives could tip the balance of where a particular company decides to set up shop. In our view, Durham region ought to have the ability to compete on its merits, and businesses should choose where to operate based on the best business case rather than a result of government financial incentives or enticements.

I encourage this committee to propose an amendment to the bill to include Durham region in either the southwestern Ontario development fund or the eastern Ontario development fund. Thank you for your attention.

Now I will call on Dan Miles to make a few comments.

**Mr. Dan Miles:** Thanks, Gary. I want to thank the committee for the opportunity to be here today.

Let me start off by saying that members of the Whitby Chamber of Commerce applaud the government's commitment to increasing economic development funding in order to strengthen the provincial economy, create jobs and make Ontario more competitive. However, excluding Durham region from this funding is not only unfair, we believe it severely disadvantages businesses throughout our region.

Again, as Premier McGuinty stated in November, "The fragile...economy has created uncertain times for families in southwestern Ontario." But it also has created uncertain times for some families and businesses in Durham region. We are not an island that is removed from the current economic global situation. There are families and businesses struggling in Whitby, Ajax, Pickering, Oshawa, Clarington and throughout the region.

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As Mayor Henry pointed out, we are diversifying the economy in Durham region. Some areas are not as bad off as others, but that's clearly the case right across southwestern Ontario. Take Waterloo region, for ex-

ample. Here you will find the most prosperous and successful economy in the province. It is one of Canada's fastest-growing communities, with a growth rate of nearly twice the national average. And yet this region is eligible for this economic development funding.

If you look closely, you will notice that Durham region has its share of challenges. As was pointed out, the region has experienced a significant manufacturing contraction in the automotive, packaging, steel, plastics and furniture sectors. With the downturn in the automotive sector, the region has suffered a number of job losses, with parts manufacturers such as Johnson Controls, Lear Corp. and Automodular downsizing.

In summary, Durham region is seeking employment and investment growth in a very competitive environment, just like every other sector across the province. While the region has core strengths and much to be proud of, it also has a number of challenges which hamper its ability to reach its full potential.

We strongly believe that Durham region will be put at a serious disadvantage if this bill passes as written. We will be competing for investment and jobs against communities across Ontario that will have access to additional provincial economic development funding, and that's not fair.

Like my colleagues, I encourage this committee to propose an amendment to the bill to include Durham region in either the southwestern Ontario development fund or the eastern Ontario development fund.

We've provided copies of letters and resolutions from regional council, chambers of commerce and boards of trade across Durham region, and we sincerely hope you understand and consider our request to create a level playing field. Thank you.

**The Chair (Mr. David Orazietti):** Folks, we've got a number of questions. We're in rotation here, so we're going to the NDP caucus. I'd just ask you to keep your questions brief, and also your answers as brief as possible, so we can get everybody's questions in. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Thank you for your presentation. Clearly, your exclusion is not defensible. You make a good case. The district of Muskoka, represented by various folks, makes a similar case. It's hard to defend the exclusion; you're quite right.

One of my criticisms of the bill is that this program has been created through offsets, meaning they've taken the money from the strategic jobs and investment fund, which everyone had access to. In that respect, nobody was excluded. But when you take money from another fund and create an eastern and western, then all of a sudden you guys are shut out and Muskoka is shut out. It doesn't make any sense.

I just wanted to tell you that I'll be supporting any amendment that brings you in. Thank you.

**Mr. Gary Strange:** Thank you.

**Mr. Dan Miles:** Thank you.

**The Chair (Mr. David Orazietti):** To the Liberal caucus. Ms. MacCharles, go ahead.



**Ms. Tracy MacCharles:** Thank you, Chair, and thank you all, Dan, Gary and John, for attending today. Thank you for highlighting some of the challenges that we are facing in Durham region, whether it's manufacturing or otherwise. You've covered part of my question, because I think it is important for the committee to hear those challenges.

The second part of my question is about when Durham is part of the GTA and when it's not. I think for purposes of this exercise Durham is included in the GTA. I'm just wondering if you have some general comments on that, for the purposes of this fund. I think I know what your answer is but I wouldn't mind hearing it directly. Thank you.

**Mr. John Henry:** Thank you for the question. You know, Durham is a big part of the economic engine of the province of Ontario. If you look at the region in its entirety, agriculture is a huge part of the Durham region economy. Our ability to move goods, people and services is essential to the economy of all of Ontario.

One of the problems that I have as mayor: I don't want to compete with any other municipality in Canada. We have to compete with China, Brazil, Germany and all those other places. Only when we work together as one group can we advance the economic prosperity for the entire province. It's about fairness and about not having to compete with the city of Toronto. It's about competing collectively, together, as an economic node on the world stage. What we're asking for is that we be given the same tools as every other municipality that's involved and that we're put on a fair playing field.

I'll reference this and then I'll stop: The Conference Board of Canada talks about Oshawa and Durham region as the third-fastest-growing economy in the country. That's from their document in 2011. We rank right behind Regina and St. John's. All we're asking is give us the tools that we need, and we can turn the eastern gateway into the GTA into that economic engine that will help to drive the province.

**The Chair (Mr. David Oraziatti):** Thank you.

**Ms. Tracy MacCharles:** Did Gary want to add to that? It looked like he wanted to.

**Mr. Gary Strange:** Just briefly. As you know, our needs are different. It was our understanding that the GTA was to be totally excluded by all of these funds, yet Burlington, which many of us consider part of the GTA, is part of the funds. So I agree, Tracy. The line is blurry. We're just saying we want the playing field levelled to allow our region the ability to continue to compete and diversify our local economy.

**The Chair (Mr. David Oraziatti):** Thank you. Mr. Ouellette?

**Mr. Jerry J. Ouellette:** Thank you very much for your presentation. Just to continue on with that, I take it from the presentation that I heard that you'd be supportive of having an amendment brought forward that would allow all communities, such as the region of Durham, access to the funds. But on top of that, it's more than just access to the funds; it's the ability to prioritize where you feel it is necessary. So local boards having the control

and the ability to control those funds would be in the best interests of the community and the region. Would it not? I think that's what you're looking for.

**Mr. Dan Miles:** Well, I would suggest that local municipalities probably know what's best for their municipality with respect to economic development dollars and the strategy that they're implementing at the local level. I think you're absolutely right. However, we're not here, I don't think, to discuss how the dollars flow or the particular mechanics of the fund itself. All we're interested in is having the ability to compete against the other municipalities to have access to that funding.

**Mr. Jerry J. Ouellette:** I know my colleague Mr. O'Toole has some questions if there's any time.

**Mr. John O'Toole:** Thank you very much, Mayor Henry, Gary and Dan for your comments. I know Christine Elliott is here as well and Laurie Scott, all members representing the Durham region. We feel your resolutions have been reasonable—and as was said earlier, the 407 and other things that are part of the infrastructure that Ontario needs. But Durham more specifically has been treated unfairly. I encourage the resolution.

As Mr. Marchese said, the strategic jobs and investment fund was a fund that everyone could apply to where will and need was there. I certainly supported that. Ontario needs an economic development plan, and that's kind of why. They're picking winners and losers here.

I commend you for coming today, and I certainly would be supportive of working together, as you suggested, Mayor.

If you have one last thing to do, what is it you want all five members, including Mr. Dickson, to do on behalf of representing Durham? Are we in the GTA or are we out of the GTA?

**Mr. John Henry:** Thank you very much. I personally believe that we're actually neglected, that when you look at Durham, it's not really thought of very much. Part of that is—and I'll bring up the issue of the 407—moving goods and services around Toronto. It's not the 407. It should be called what it is; it should be called the Toronto bypass. It's about getting those things that we need across the province.

**Mr. John O'Toole:** Major cities like Ottawa are excluded in the east, but major cities like Windsor are excluded in the west, as is Kitchener-Waterloo. There's somewhat deliberate unfairness in this, and I want to be very open about that. I'm not happy about being treated less equally than the rest of Ontario.

**Mr. John Henry:** I agree.

**The Chair (Mr. David Oraziatti):** Thanks for your comments. They're noted. There weren't a lot of questions in there, but your comments are on the record.

Thank you, folks. That's time for your presentation. We appreciate you coming in today.

#### GREATER NIAGARA CHAMBER OF COMMERCE

**The Chair (Mr. David Oraziatti):** Okay, moving along, our next presentation is the Greater Niagara



Chamber of Commerce. Good afternoon. Welcome to the Standing Committee on General Government.

**Mr. Kithio Mwanzia:** Thank you.

**The Chair (Mr. David Orazietti):** You have 10 minutes for your presentation. Any time you don't use will be divided among members for questions. You can start by stating your name, and when you're ready to proceed, go ahead.

**Mr. Kithio Mwanzia:** Thank you. Good afternoon, Chair and members of the Standing Committee on General Government. My name is Kithio Mwanzia, and I'm the director of policy and government relations for the Greater Niagara Chamber of Commerce.

As a little bit of background, the organization, the Greater Niagara Chamber of Commerce, has a membership of 1,300 members with a representative employee base of approximately 30,000 people. It is one of the largest chambers in Ontario.

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As I am sure members of the committee are well aware, Niagara's economy has been in transition for the better part of the decade. With this has come record unemployment, as high as 9% in some years. With this, businesses in Niagara have certainly seen their fair share of challenges associated with the economic transition. However, in the midst of this, the private sector has been resilient.

This is an important time to focus on leveraging opportunities and making strategic investments that can catapult these businesses to the next level; i.e., hiring new employees, making their operations more efficient and increasing productivity.

The government of Ontario has taken a number of steps to respond to the global economic crisis and the subsequent recession. Niagara's close relationship with the economies of the greater Toronto area through western New York has meant that it has had to deal with the economic transition in a similarly dynamic and aggressive fashion.

To address the issues facing Niagara, the chamber has taken a leadership role in creating the prosperity council and authored the Paths to Prosperity report. The report outlines Niagara's opportunities over the next 20 to 30 years, with several midpoint benchmarks, and sets the foundation for growth and prosperity within a transitioning North American economy.

As a business organization, we are encouraged to see the vision of the government by announcing the Attracting Investment and Creating Jobs Act. If passed, it will create the \$20-million fund, as has been discussed. The southwestern Ontario development fund aims to provide support for areas that are facing economic challenges, and certainly, as I've just elaborated on, Niagara falls within that category.

We were encouraged to see local-level consultations conducted. This provided a valuable opportunity for the business community to provide both mechanisms and metrics to ensure sound policy design. One of the reasons the fund for eastern Ontario has been so successful is

because of the extensive consultations with stakeholders from across the region.

The existing development funds have leveraged approximately \$8.6 billion in business investment, creating 12,000 new jobs in Ontario. The business community in Niagara looks forward to being part of this positive momentum to rebuild the Ontario economy.

Southwestern Ontario, as you know, has had a long history and concentration of manufacturing jobs and opportunities. This region, and Niagara specifically, has endured a significant number of plant closures and layoffs. Specifically in Niagara, the downward trend has greatly impacted the local economy. Since the beginning of the 20th century, manufacturing in Niagara has been an economic driver and at its peak employed tens of thousands of workers and provided Niagara with a robust economy.

Currently, manufacturing accounts for approximately 14% of the Niagara economy, down from 29% over the past two decades. This dramatic loss of manufacturing jobs in Niagara has had a tremendous impact on the overall local economy. In fact, Niagara's overall employment growth has been less than 1% since 2000. This average places Niagara near the bottom of the province in statistics related to full-time employment rates and employment income levels in the province.

Businesses in Niagara have, however, worked diligently to face the challenges that have confronted the region. While Niagara has often been situated in the bottom third of most socioeconomic rankings in Canada as a result of the economic transition, the work that has been done by stakeholders and leaders in the community has positioned the region to handle today's economic challenges.

The ability for Niagara to weather the challenges it faces has been supported by ongoing infrastructure transformation as part of Ontario's plan for prosperity. This includes the extension of the QEW highway, making for easier access to the United States market; investments in the health care complex; investments in a new convention centre, fostering all-year-round tourism; investments in both Brock University and Niagara College in terms of biosciences and health sciences; and, of course, the Marilyn I. Walker School of Fine and Performing Arts.

As a region engulfed by a perfect economic storm, the transformation of Niagara's infrastructure serves as an important component in creating avenues for new prosperity despite all the challenges. And as I outlined, they are many.

Niagara has been able to grow a number of businesses in the region. In particular, SME—small and medium enterprise—has seen the biggest growth. From 2001 to 2007, there was a 17.4% increase in business counts in the Niagara region. In 2007, there were more than 25,000 businesses in Niagara, which represented a 17% increase from 2001, when there were 21,935 businesses in Niagara.

Perhaps the most encouraging sign concerns near-term prospects for the overall economy. The Conference



Board of Canada predicts that there will be modest economic growth over the next three years in Niagara. Slightly more than 20% of businesses surveyed by the Conference Board of Canada believe general economic conditions will improve in the next six months.

These numbers are a considerable improvement from previous years—and the region has borne the brunt of the economic downturn. It also demonstrates that, given the right support, the business community in Niagara can leverage support provided, maximize its potential and do its part for the Ontario economy.

The ability for businesses in Niagara to weather the storm comes in part from some of the existing initiatives that have happened at the provincial level. The commitment to the reduction of red tape and the streamlining of the tax system have been welcome innovations in terms of policy and process that the business community has been able to effectively leverage.

The government's role is to create an environment conducive to investment and business development by means of intelligent regulation and innovative initiatives.

The private sector continues to play an important role in establishing the framework for Niagara's economic future. The business community will be hosting an economic summit in May 2012 focusing specifically on leveraging opportunities, economic growth and fostering growth for small and medium-sized enterprise. The summit will be the starting point to chart the economic future of the region as we begin to come out of the economic transition.

Throughout the economic transition, the private sector has been an active participant in recalibrating the economic framework. The business community took a leadership role, as I mentioned, on the prosperity council that authored the Paths to Prosperity document, which we are still working on in our five-point benchmark process. It has been involved in developing the economic growth strategy and the labour market plan. Each strategy was developed through private sector leadership. This collective consensus between both public and private sector leaders in Niagara about how to move the region forward demonstrates a community co-operation that could be enhanced by the southwestern Ontario development fund.

Therefore, in conclusion, we submit the following in terms of recommendations and would welcome your questions:

- certainly, the establishment of the southwestern Ontario development fund as a key component to fostering that economic growth and prosperity which we have talked about and advancing the local level plans that have been developed;

- the inclusion of businesses in Niagara to be eligible for financial support through the southwestern Ontario development fund—so more on the boundary issue side of things;

- ensure that the southwestern Ontario development fund provides a direct financial support to small and medium-sized enterprise in all industries; and

- the implementation of a seamless, metrics-based and user-friendly application process for funding as well.

We do want to ensure that the same scrutiny associated with the eastern development fund in tracking how these resources are being committed is applied to the southwestern Ontario development fund. Certainly, we value a metrics-based system.

I do submit those in terms of remarks and recommendations, and I would gladly take any questions.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. First up is the Liberal caucus. Ms. Cansfield, go ahead.

**Mrs. Donna H. Cansfield:** Thank you very much for your presentation. It was very thorough. I also appreciate the fact that you identified those areas where there had been investment and how that investment could be leveraged. I look forward to hearing some of the other questions.

I guess my question to you is, do you have any thoughts about the process and implementation? It's a limited-amount-of-money fund, so I presume that most of the money you want to be able to put into the projects, so administration can be absolutely kept at a minimal amount of money and you're not siphoning anything off. Have you got any thoughts about that?

**Mr. Kithio Mwanzia:** Certainly, we expressed during the community consultations about that specific issue related to administration. Our commentary on that was that there is an existing administration infrastructure vis-à-vis the eastern Ontario fund that certainly can be augmented in certain ways to accommodate the southwestern Ontario development piece. You have experts on the government side that have an understanding of that interface between SMEs and government funding, understanding the type of timelines that SMEs face and that lengthy approval processes are undesirable for a number of reasons. Our view was that, rather than developing an entirely new infrastructure of administration, there could be some augmenting to the existing infrastructure on the eastern Ontario side that could accommodate the southwestern Ontario piece.

**Mrs. Donna H. Cansfield:** Thank you.

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**The Chair (Mr. David Orazietti):** Thank you. Mr. Clark, go ahead.

**Mr. Steve Clark:** Thank you very much for your presentation. Good luck at your summit in May.

One of the complaints with the existing fund, because I'm from the east, is the fact—and the minister alluded that it's more coincidental—that there is an inequity between the ridings. Some ridings seem to have performed much better than others.

I don't totally agree; I think we all have very competent economic development officers and chambers of commerce, so I'm not particularly sure that washes with me; that one is more aggressive than the other. I think they're all fairly aggressive, to some degree.

Any ideas on how to change that, how to make the program more equitable or more fair across the southwest as opposed to the way that the eastern program has presented itself?



**Mr. Kithio Mwanzia:** I can't speak specifically to the eastern piece, but from a southwestern Ontario perspective and looking at the Hamilton-Niagara area specifically but focusing on the Niagara piece, there's a lot of local-level strategy that has included the business community. So in terms of ensuring there is equity, as you mentioned, there is certainly that local-level strategy that has to interface with the opportunities that become available as a result of this fund.

**Mr. Steve Clark:** Any comment on loans versus grants? I know that some of our presenters talked about changing, perhaps, the mix that the program provides.

**Mr. Kithio Mwanzia:** The thought would be to have a combination of both. Given the—

**Mr. Steve Clark:** Any idea of the percentage? I know some have thrown out—

**Mr. Kithio Mwanzia:** One might consider a 50-50 split, something that would be quite fair, but looking quite specifically at how those businesses are progressing. What is a loan today could very easily be augmented to be a grant tomorrow because, in the time between yesterday and today, there have been 20-plus jobs created as a result of process change and commercialization of research. So there would be a need to see some flexibility on that particular component. That's getting into some real specifics on the fund, but there would be a need to see some flexibility in that area because, as businesses begin to perform, perhaps there should be some change to that formula.

**The Chair (Mr. David Oraziotti):** We need to move on. Thank you. Mr. Marchese, a question?

**Mr. Rosario Marchese:** I do have a question. The northern heritage fund is run independent of the minister. There is no ministerial control. This fund has ministerial control, and we think that's a problem. So we called for an independent board just as we see in the northern heritage fund. What do you think?

**Mr. Kithio Mwanzia:** Again, I do want to make reference to the comment I made before about the eastern Ontario development fund. That is not an independent piece analogous to the northern fund. They've been able to work closely with SMEs.

The politics and debate of independent-versus-not-independent are removed from the realities for which businesses want to see this fund established and want to begin accessing the fund, creating jobs, making their operations more efficient. To sort of waver on the independent-versus-not-independent piece, the business community is sort of removed from that component of the debate, as it is really looking to see more of the establishment and a rollout of the opportunities and dollars.

**Mr. Rosario Marchese:** I understand what you're saying. I'm talking about the politics of not having independence and you're talking about, you're removed from the independence issue altogether.

My point is that if the minister has control of it, we believe that even if there is no interference, there's a perception of interference. That's what I'm saying. If you've got an independent board, they're able to make a

case for themselves as a community, as a region, a business case, but make it independently without having to have any controls by the minister. That's the case I'm making. Do you follow what I'm saying?

**Mr. Kithio Mwanzia:** I see what you're saying. I guess my response would be that from my part, from a chamber of commerce representative of the business community perspective, that isn't necessarily something that we would have commentary on.

**Mr. Rosario Marchese:** Gotcha.

**Mr. Kithio Mwanzia:** It's more looking to see it established, and the sooner the better, including Niagara, and about it having strong metrics and application processes.

**Mr. Rosario Marchese:** Very good. Gotcha. Thank you, Kithio.

**The Chair (Mr. David Oraziotti):** Thanks. We appreciate it. That's the time for your presentation. Thanks for coming in today.

#### MR. ALEX FRANKLIN

**The Chair (Mr. David Oraziotti):** Okay, folks. One further presentation: Alex Franklin.

Mr. Franklin, welcome to the Standing Committee on General Government. You've been patiently waiting to make your presentation. As you know, you've got 10 minutes, so if you can just start by stating your name for the purposes of our recording Hansard and start when you like.

**Mr. Alex Franklin:** It's been an interesting discussion. For Hansard: Alex Franklin.

Mr. Chairman, ladies and gentlemen, eastern and southwestern Ontario need capital investment to replace the capital lost from firms moving to the USA.

London is the centre of southwestern Ontario—2.5 million. Ottawa is the centre of eastern Ontario—1.6 million. Kingston has the advantage of Queen's University and being close to the USA.

Many profitable companies have left London for America. Pawn shops are a feature of downtown London. The recent riot tarnished London's international business image.

Important attractions of London are the University of Western Ontario medical school and hospitals and the Ivey business school. Another advantage is that the cost of a professional house in London is half the cost of one in Toronto. London is also the home of the Canadian Medical Hall of Fame.

Kingston has Queen's University medical school and hospitals, together with the internationally famous yacht club, which was host of the 1976 sailing Olympics and has a 43-year history of the yearly Olympic regatta. Kingston is blighted by its reputation as a prison city; the jails could be moved to Ontario north. The superb riverside position of maximum-security Kingston Penitentiary beside the yacht club could be refitted as a hotel or a private hospital. Kingston is also home of the Canadian Museum of Health Care.



Private medicine is rapidly developing in Ontario. Private equity supports public teaching hospitals through colossal tax-deductible donations from important donors, such as the Campbell, Eaton and Weston families, the Lebovic Brothers, Peter Munk, Sir Li Ka-shing and Joseph Tanenbaum.

There are two well-known private hospitals in Ontario: Guelph Homewood psychiatric hospital and Thornhill Shouldice hernia hospital. Both attract international clients, helping Ontario's balance of payments.

Many private clinics function under the legal fiction of so-called wellness clinics, charging about \$3,500 a year.

Medisys Health Group in Montreal, Toronto, Calgary and Vancouver was founded in 1987 and, since 2002, is traded on the Toronto Stock Exchange.

The Cleveland Clinic Canada has 30,000 square feet in Brookfield Place, home of the Hockey Hall of Fame. The administrator is the son of late Liberal Senator Danson. The clinic can provide immediate connection with the Cleveland Clinic and can arrange emergency transportation to the Ohio hospital. Mr. Galen Weston pays for his executives to attend the clinic.

In 2005, Montreal GP—Paris-trained—Dr. Jacques Chaoulli won a historic victory in Canada's Supreme Court. Quebec, although losing the Chaoulli case, has since made money and produced employment by allowing private clinics and hospitals to attract Canadian and international clients; for example, the two Montreal RocklandMD medical and day surgery hospitals.

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Private hospitals would help Ontario's economy and free hospital beds for the less financially fortunate. Costs can be covered by private medical insurance companies such as Bupa International health insurance, which covers 190 countries. The provincial budget would benefit by lower OHIP costs.

In conclusion, private Ontario hospitals in the areas involved in Bill 11 would keep private medical money in Ontario, which would pay for jobs in the province.

Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much, Mr. Franklin, for your presentation. We are going to start with the Conservative caucus. Mr. Clark.

**Mr. Steve Clark:** Thanks, Mr. Franklin. I appreciate hearing your presentation. You've certainly brought a little different perspective to the bill this afternoon. The existing eastern Ontario program looked after a more manufacturing-based system, although there were some public sector projects added to it. I know that one municipality received money for infrastructure, others for some other small projects. Do you see this suggestion as something that you feel should be incorporated into the collaborative section of the bill?

**Mr. Alex Franklin:** Mr. Clark, I certainly agree that collaboration is an excellent idea.

**Mr. Steve Clark:** Thank you, sir.

**The Chair (Mr. David Oraziotti):** Thank you very much.

**Mr. Rosario Marchese:** I have no questions, David. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you, Mr. Marchese. Ms. Cansfield, go ahead.

**Mrs. Donna H. Cansfield:** Thank you very much for taking the time to make the presentation. You actually do bring a very different perspective to the bill.

Although there has been a great deal of emphasis put on manufacturing, what you've identified is the issue of health and wellness as being substantive to the economy of this province.

You have two suggestions that I gather—and you may correct me, sir, if I'm wrong. One is that you're saying private health care of some description in health and wellness—this fund could be used to leverage some of that small business. Is that the suggestion? Or are you just saying that if in fact we had the opportunity for private health care of some kind, it would free up some dollars to go into small and medium-sized business? I'm not sure which perspective—

**Mr. Alex Franklin:** Ma'am, I would suggest that private equity could provide the money without government contribution.

**Mrs. Donna H. Cansfield:** A man after my own heart.

**Mr. Alex Franklin:** Thank you, madam.

**Mrs. Donna H. Cansfield:** Thank you very much.

**The Chair (Mr. David Oraziotti):** Thank you very much, Mr. Franklin, for your presentation, and thanks for coming in today.

**Mr. Alex Franklin:** Thank you, sir.

## COMMITTEE BUSINESS

**The Chair (Mr. David Oraziotti):** So folks, just to follow up from a call that was held last week on committee business with respect to Bill 8, An Act respecting Ontario One Call Ltd.: As we are now completed all of the deputations for Bill 11 with regard to the southwest economic development fund, it's been requested that we move on to Bill 8. The original discussion was to instruct the clerk to fill deputations on a first-come, first-served basis. What you have in front of you is a list of those individuals who had requested to make a presentation to the committee. You also have a list of all of the requests that have been provided to the clerk's office, of which there are 48.

**Mr. Steve Clark:** Wow.

**Mr. Rosario Marchese:** How many?

**The Chair (Mr. David Oraziotti):** It's 48. You should have that list in front of you. I know that Ms. Scott and Mr. Coteau were on the call on Friday as subcommittee members. Ms. Scott, do you want to open the discussion on this?

**Ms. Laurie Scott:** Sure. When we had our first subcommittee meeting, we did agree to a first-come, first-served basis for both the committees, Bill 8 and Bill 11, not expecting that Bill 8 would have such an overwhelming response. Thus, when we did the first-come,



first-served, we kind of lost the ability—which happens sometimes—to look at all the applicants to appear before committee and then make selections as per party so that there was a broad array of sides heard. When we saw that there was an overwhelming response, we initially asked that because we didn't fill Bill 11 up, maybe we could add a day on to Bill 8. The concern was, we have AMO, the Association of Municipalities of Ontario, but we did have some other municipalities that applied and didn't get on. There was a US presenter that wanted to come because they have this, of course, throughout the US.

There was some question I had—because we did first-come, first-served—that maybe, at the committee's will, they would consider doing an extra day. That was most of the discussion that occurred on Friday's subcommittee—if it would just be possible.

**Mr. Rosario Marchese:** Mr. Chair, if I can recommend—

**The Chair (Mr. David Oraziotti):** Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** That we were going to use the other day for Bill 11—that's the point—and that we could use the additional day that we had set aside for Bill 11 for Bill 8. Can I suggest that we do that? Because there are 48, we can do first-come, first-served, so whoever is available to come Wednesday could, and so we go through the list and however many deputants we could fit into that day, we could do that. Can I propose that?

**The Chair (Mr. David Oraziotti):** Mr. Coteau, go ahead.

**Mr. Michael Coteau:** Thank you, Mr. Chair. I'd like to suggest that we stick to the original plan, as agreed to at the subcommittee. There's a timing issue here, and there was an agreement made at the last subcommittee to allocate two days, and I would propose that we stick to that original plan that we agreed to.

**Mr. Rosario Marchese:** So, David, could I move that we use—today is what? April 2. We were going to have a meeting on April 4 for Bill 11. Can I move that we use April 4 as a day that we allocate for Bill 8, and that we would use that day on a first-come, first-served, that we would go through the list and whoever is available, we would invite to come and depute on Bill 8? I move that.

**The Chair (Mr. David Oraziotti):** Mr. Marchese moves that we extend the Bill 8 hearings for what is regularly scheduled committee business time on Wednesday, April 4, on a first-come, first-served basis for the balance of the list. So that's on the floor right now, and Ms. Scott has a comment on that.

I don't know. Clerk, do you want to comment on the logistics of first-come, first-served for the balance of the list or let Ms. Scott—

**Ms. Laurie Scott:** The problem is that Sylwia, the clerk, would have to go to 25, 26, 27, right? We're missing some key advisers who would have a more fulsome contribution.

**Mr. Rosario Marchese:** We can't control that.

**Ms. Laurie Scott:** But we can't control that. I don't want to make it complicated. So we could phone the

remainder of the people to see who could come on Wednesday. I would second Mr. Marchese's motion.

There is also April 25 in between, but—

**The Chair (Mr. David Oraziotti):** I think there are two issues here: One is whether or not the committee is going to reach agreement that we are going to use Wednesday to hear additional presentations, so that's something that we'll have to vote on. Secondly, if we do use Wednesday for deputations, how would you like those individuals selected?

I understand from the clerk that we do not necessarily have to go on a first-come, first-served basis; we could select from the list. That's the committee's prerogative to do that.

**Mr. Rosario Marchese:** Each party could select a group of people. I would be okay with that. I could amend my motion to say: I move that we use April 4 as a date for applications on Bill 8 and that each party select a number of deputants to come and speak.

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**The Chair (Mr. David Oraziotti):** We could do that if the committee sees fit.

**Mr. Michael Coteau:** I'd like to comment—

**The Chair (Mr. David Oraziotti):** Ms. Campbell, go ahead, and we'll come back to Mr. Coteau.

**Ms. Sarah Campbell:** I agree with allowing more time for different deputants to make comments. I just think that two days' notice isn't really adequate, given some of the distances that some people and organizations will be making. Notably, there are a number from northwestern Ontario.

**The Chair (Mr. David Oraziotti):** I understand your concern. This is part of the challenge of trying to accommodate people with the—we had anticipated perhaps spending the next committee day on this bill that we were on today, Bill 11. It is short notice. There was an attempt to try to sort that out on Friday, and we're here continuing the discussion.

Mr. Coteau, a comment?

**Mr. Michael Coteau:** I'll bring up the points I made on Friday again: that the subcommittee did agree to two days for each bill. I thought originally that that was generous. I've asked different members about the process in the past, and I've been told that private members' bills usually get one day for deputations; now we're moving into three days. I don't want to stress that point too much, but I think the strongest point that I can make is that there was an agreement made, we were specific about the dates, and not only are we going back and changing that at this point but I also believe, because of the timing of the change, it wouldn't be in the best interests of all of us. So I'd just like to stress my point and—

**Mr. Rosario Marchese:** You're speaking against the motion, is what you're saying.

**Mr. Michael Coteau:** Absolutely.

**Mr. Rosario Marchese:** I got you.

**The Chair (Mr. David Oraziotti):** Further comment on the motion? Ms. Scott, go ahead.



**Ms. Laurie Scott:** I understand it's a private member's bill. It's just that three parties did sponsor the bill, and there are a lot of applicants. It's just a well-rounding of appearances for a tri-party-sponsored private member's bill.

**The Chair (Mr. David Oraziotti):** Ms. Cansfield?

**Mrs. Donna H. Cansfield:** I just want to ask a question, and it's just a process issue.

It goes till 5:45. Can you go later?

**The Chair (Mr. David Oraziotti):** You would need a decision from the House to sit past 6 o'clock on Wednesday. The regularly scheduled time for committee is 4 to 6 o'clock.

**Mrs. Donna H. Cansfield:** That was just an option.

**Mr. Rosario Marchese:** It's better to sit during the time that we've got during a session rather than moving the time up.

**Mrs. Donna H. Cansfield:** You could go to 7 and put in another five or six people.

**The Chair (Mr. David Oraziotti):** You need some further discussion. Mr. Delaney has his hand up here.

**Mr. Rosario Marchese:** We are dealing with the motion, however.

**Mr. Bob Delaney:** Just one other comment to add: I looked through the list of deputants, many of which have, in my experience, not come before the Legislature before.

Sometimes when you let people know that, in fact, MPPs can read and that a written submission carries precisely the same weight as an in-person appearance, it motivates people to say, "I don't necessarily have to be there to say it in person; I can actually send you a brief." If you can accept a suggestion to point out the quandary to the prospective deputants and ask which ones feel that they could submit a written brief as opposed to an in-person appearance, that problem may resolve itself.

**The Chair (Mr. David Oraziotti):** The clerk has indicated that all of the folks have been given an option to be able to submit written information. So your point is well noted, Mr. Delaney.

I guess I would just ask, unless there's some further comment to be made on the motion at this point, if we could perhaps divide the two items so that we have a vote first on whether or not we're meeting on Wednesday and then perhaps we can reach agreement in terms of what the process is going to be. So your motion perhaps could ask if you want to meet on Wednesday. Let's see if we can reach that agreement first. Once we do that, or if we do that, then we can determine how we're going to select the committee members.

So Mr. Marchese's motion is to meet—

**Mr. Rosario Marchese:** Okay. I can separate the two motions.

I move that we meet April 4 to allow more deputants to come and speak on Bill 8.

**The Chair (Mr. David Oraziotti):** Is there any further comment on that?

**Mr. Rosario Marchese:** I think they spoke already.

**The Chair (Mr. David Oraziotti):** All those in favour?

**Mr. Rosario Marchese:** On a recorded vote.

**Ayes**

Campbell, Clark, Marchese, Scott, Smith.

**Nays**

Cansfield, Couteau, Delaney.

**The Chair (Mr. David Oraziotti):** Okay. So we're going to meet on Wednesday. Any preference in terms of how the selection for the balance of this list is carried out? Mr. Marchese.

**Mr. Rosario Marchese:** My personal view is that we should start and simply call people based on the list that we've got. I'm assuming there's a list in terms of how people called us. Is that correct, or no?

**The Chair (Mr. David Oraziotti):** Yes. You have it. To take note, there are eight—

**Mr. Rosario Marchese:** And if that is true, we should just call through the list. That's the way I would have done it. But if Laurie believes that you want to have a different process in order to allow certain people to come, then the fairer way to do it is to allow each party to call different people.

**The Chair (Mr. David Oraziotti):** There are eight—so there would be eight spaces, if we maintain the same deputation time, at 15 minutes.

**Mr. Rosario Marchese:** Eight spaces, so that means—

**The Chair (Mr. David Oraziotti):** Unless the committee wanted to change—

**Mr. Rosario Marchese:** It can't be three, three, three, obviously, so it's got to be—if they don't mind, we can have three, the Tories can have three and the Liberals two, since they don't want to have any anyway.

**The Chair (Mr. David Oraziotti):** Mr. Coteau.

**Mr. Michael Coteau:** I'm going to suggest that we follow the original plan, as suggested by Mr. Marchese: the first-come, first-served basis, and we just continue down the list. The reason I suggest that is because the original two days, we followed that process, and now we'd enter into a new process for the third day. So I'd suggest that we continue with the original list and go down that pecking order.

**Mr. Rosario Marchese:** Laurie, I don't mind that. I think it's a fair way to allow the list to progress. That's what I originally recommended, so I'm okay with that.

**Ms. Laurie Scott:** Okay. I mean, I appreciate the fact that we're doing another day, so I'm not going to die on this hill. But we were just trying to get to a more rounded group of applicants, mainly single municipalities—

**Mr. Rosario Marchese:** But we can't help that, so I'm okay.

**Ms. Laurie Scott:** But it's okay. I will second Mr. Marchese's motion.



**The Chair (Mr. David Oraziotti):** There's probably a good chance to get a little further down the list of eight anyway, because those first eight will probably not all be able to—

**Ms. Laurie Scott:** Yes, I agree. Yes, it might just work good anyway.

**The Chair (Mr. David Oraziotti):** I mean, they may, but—

**Mr. Rosario Marchese:** Mr. Chair, do you need a motion or can we just allow the clerk to call through the list and have the—

**The Chair (Mr. David Oraziotti):** Yes, I think we can just move—

**Mr. Rosario Marchese:** Okay.

**The Chair (Mr. David Oraziotti):** We've got agreement on that?

**Mr. Rosario Marchese:** Yes.

**Ms. Laurie Scott:** Yes.

**The Chair (Mr. David Oraziotti):** Okay. So first-come, first-served, down the list, fill out the eight positions. We'll meet this Wednesday.

**Mr. Steve Clark:** Forward together.

**The Chair (Mr. David Oraziotti):** All right. Thank you, Mr. Clark.

Ms. Cansfield?

**Mrs. Donna H. Cansfield:** I think that Ms. Campbell made a comment that's legitimate. If someone's coming from the north, they're at the top of this list, they can't get here, they're not going to fall off the list; they're going to get on another day. I think that's important to recognize. Is that correct?

**Mr. Rosario Marchese:** Obviously, whoever is on the list already is going to come for the other days.

**The Chair (Mr. David Oraziotti):** We can also do teleconference as well. If they want to be included, we can do teleconference or they can be heard—

**Mrs. Donna H. Cansfield:** That's fine, if they can do that option. I'm just trying to be fair to everybody.

**The Chair (Mr. David Oraziotti):** Okay.

**Mrs. Donna H. Cansfield:** Great.

**The Chair (Mr. David Oraziotti):** Thank you very much. No further business? The committee is adjourned.

*The committee adjourned at 1658.*







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## Assemblée législative de l'Ontario

Première session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 4 April 2012

# Journal des débats (Hansard)

Mercredi 4 avril 2012

**Standing Committee on  
General Government**

Ontario One Call Act, 2012

**Comité permanent des  
affaires gouvernementales**

Loi de 2012 sur Ontario One Call

Chair: David Orazietti  
Clerk: Sylwia Przedziecki

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENTCOMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Wednesday 4 April 2012

Mercredi 4 avril 2012

*The committee met at 1603 in room 228.*

## ONTARIO ONE CALL ACT, 2012

## LOI DE 2012 SUR ONTARIO ONE CALL

Consideration of the following bill:

Bill 8, An Act respecting Ontario One Call Ltd. /  
Projet de loi 8, Loi sur Ontario One Call Ltd.**The Chair (Mr. David Orazietti):** Good afternoon, folks. Welcome to the Standing Committee on General Government. We're going to get started with deputations on Bill 8, An Act respecting Ontario One Call Ltd.GREATER TORONTO SEWER AND  
WATERMAIN CONTRACTORS  
ASSOCIATION**The Chair (Mr. David Orazietti):** Our first presenter is the Greater Toronto Sewer and Watermain Contractors Association. Good afternoon. Welcome to the standing committee.**Mr. George DiPede:** Good afternoon.**The Chair (Mr. David Orazietti):** You have 10 minutes for your presentation, five for questions. Any time you don't use will be divided among members of the committee to ask questions. Just start by stating your name for the purposes of our recording Hansard, and whenever you're ready, you can proceed.**Mr. George DiPede:** My name is George DiPede, and I'm the president of the Greater Toronto Sewer and Watermain Contractors Association. This is Susan McGovern, who is the assistant executive director of the GTSWCA.

Good afternoon, committee clerk, members of provincial Parliament, ladies and gentlemen. Again, my name is George DiPede, and I am the president of the Greater Toronto Sewer and Watermain Contractors Association. I have been a contractor in the sewer and water main industry for more than 20 years all across the province of Ontario. Again, I'd like to introduce Susan McGovern, who is the assistant executive director of our association.

The GTSWCA, its board of directors and member companies are eager to provide advice and assistance to the committee in support of Bill 8, the Ontario One Call Act. We want to ensure that it is promptly passed and that regulations are drafted and implemented as soon as

possible. It is imperative that the government gets on with legislating a safe working environment for the people of Ontario.

The GTSWCA is focused on ensuring safe, clean drinking water, delivered and disposed through sustainable and reliable water and waste water systems. We have represented the sewer and water main construction industry in the GTA since 1957, representing 55 years of industry experience. We represent over 175 companies and tens of thousands of skilled workers across the GTA, including operators, labourers, engineers and office staff. We encompass the regions of Halton, Peel, York, a portion of Durham, Simcoe county, and of course the city of Toronto. Collectively, this area represents more than five million Ontarians.

The economic benefit our industry brings to Ontario is very substantial.

You will recognize many of our member companies because we work in your backyards, in your subdivisions, on your main streets and alongside municipal roads and provincial highways that you and your families travel on each and every day. And what do we do there? Well, we dig. We dig in order to maintain existing sewers and infrastructure and install new sewer and water infrastructure. What we try our best to do is keep the GTA safe for you, your families and our workers.

As you are aware, our organization is not the only one that recognizes the importance of Bill 8. Throughout the month of April, we understand that many organizations from a variety of sectors will be presenting to this committee in support of this legislation. You will be hearing from the municipal sector, the emergency response sector, telecommunications, hydro, gas, and the entire construction sector. How do we know this? Well, we work with all of these sectors on a daily basis. One thing we have in common is the urgent need for Ontario One Call legislation. We urge you to listen and to act accordingly.

Along with the copies of this presentation, you will find a copy of our association's brochure. Please take a look at the inside middle panel under the section "Support for our Contractors." The first item listed is One Call legislation for mandatory, accurate and timely locates. Why is it there, you ask? Because our 175 member companies and their thousands of skilled trades workers on job sites every day all across the GTA have asked us to make sure Ontario One Call legislation is passed. It is



important for the health and safety of our workers and the general public across the GTA and across Ontario.

A legislated One Call service is of the utmost importance to our industry. There is an estimated \$100 billion in underground infrastructure assets across Ontario, with much of it located in the highly populated GTA. This infrastructure is aging and requires ongoing maintenance, resulting in excavating large areas to perform these repairs. As of right now, our excavators are forced to call up to 13 different numbers in order to safely proceed with a dig. Last year alone there were some 12,000 strikes or assaults to vital underground infrastructure because Ontario excavators were forced to dig without accurate and timely locates, or, in some cases, with non-responsive utility owners.

This work across the GTA is often performed in highly populated areas, and this scenario results in potential safety risks for our workers and the general public. Without this legislation, unnecessary risk to human life is real, and it is unacceptable.

Across the GTA, our member companies work with large and small urban and rural municipalities which are in support of Ontario One Call. The GTA municipalities understand the need for secure and safe communities.

Ontario One Call is needed as a coordinating body of all utilities for private sector contractors to access. Our contractors have job sites all across the GTA and each site has different underground utilities owned by a variety of different companies. As a contractor, it is impossible for us to know how many utilities may be in the area. As a contractor, we do not have access to that type of information. As a contractor, we do not have access to that type of information. As a contractor, a mandatory Ontario One Call system would provide vital information to ensure safe job sites. Ontario One Call would know what utilities are in the area and who needs to be called to provide timely, accurate and safe locates.

1610

The GTSWCA is pleased to see Bill 8 supported by all three parties. We ask all three parties to continue to put aside partisan politics. You have an opportunity before you to quickly pass legislation that will ensure that Ontario families and workers are safe. Please do the right thing and pass Bill 8.

The GTSWCA has four recommendations for the committee:

(1) The GTSWCA is recommending all-party support to move Bill 8 to third reading and royal assent during this session of the Legislature. We are approaching the busy construction season, and we need this legislation passed now to ensure a safer Ontario.

(2) The GTSWCA is recommending that the Ontario One Call system be mandatory. The value of this service is limited by the fact that the participation is not mandatory for the hundreds of entities that own underground assets.

(3) The GTSWCA is recommending timely locates, within 48 hours of calling a utility owner. This is impera-

tive to maintain the flow of work on job sites and to ensure safe working conditions.

(4) The GTSWCA is recommending that the government hold consultations with contractors, utility owners and the municipal sector in order to draft and implement regulations as soon as possible.

The GTSWCA, its board of directors, the 175 member companies and the tens of thousands of employees across the GTA thank the committee for the opportunity to table our support for Ontario One Call. We look forward to working with the government on the development and implementation of the regulations. We look forward to working for a safer Ontario for all.

Thank you for your time.

**The Chair (Mr. David Orazietti):** Thank you very much. We appreciate your presentation. We have a few minutes. The Conservatives are first for questions: Mr. Bailey, go ahead.

**Mr. Robert Bailey:** Thank you, Mr. Chairman, and thank you to your organization, Mr. DiPede, the Greater Toronto Sewer and Watermain Contractors Association. Welcome, Ms. McGovern, as well. Thank you for taking the time to appear before the committee today and present.

With 20 years of experience in your background, how many times over 20 years would you have had the opportunity to make calls to try and do locates, and in your experience, what has been your success in the timeliness of having the locates done?

**Mr. George DiPede:** Well, the frequency is pretty much on a regular basis. Over the years, as we've grown as a company—we have employees who do a lot of it now, but a lot of times we do it ourselves, and the reason we do it ourselves is because we're making at least 13 phone calls to all the different utility owners to try and get these timely locates. Success has been very frustrating—there are certain areas and some utility organizations that are great to deal with and respond in a timely manner. There are a lot that have other policies, who don't necessarily adhere to getting this information out quickly, so it's very frustrating to call. You know, we're supposed to wait seven days, but instead, we're waiting 10, 12, 14, and that's just unacceptable. Then it's a lot of calling and—listen; the people on the other end of the phone, you don't want to yell at them, because they're only doing their job, but the frustrations on our side—and it becomes a bit of a situation that's not conducive to a co-operative environment.

**Mr. Robert Bailey:** Another question: Before your company can begin an excavation, what would be some of the major problems with locates and locating the infrastructure that you could run into, and does this bill in some way address some of those issues? What would be some of the issues that you would run into? I guess I'd like to know, does this bill go far enough? Would it help and alleviate those issues?

**Mr. George DiPede:** It definitely puts us in the right direction and is a great help to our industry. Before we start any excavation, we have to have locates; we are not



allowed to dig without locates. The problem is, as we said, it's not one phone call, and the biggest problem is we don't know what's under the ground. We're given a set of drawings; we're given specifications. We have no idea what hydro is there, and if it is hydro, is it Toronto Hydro, Ontario Hydro, Hydro One? Is it Rogers? We don't know all the utilities that are under the ground. We don't have that information, so we try our best. We call the locating companies that we normally call, but we don't have access to that information, so we might not even call the right agency because we don't even know it's there. That's why it has to be mandatory. It has to be mandatory to have everybody participate, have a central system that allows the contractor to do their job—and our responsibility, which is to make that call. We're not—

**The Chair (Mr. David Orazietti):** I need to stop you there. Thanks. That's great. We just need to move on so we can get all the questions in.

**Mr. George DiPede:** Sure. I apologize.

**Mr. Robert Bailey:** Is my time up? Sorry.

**The Chair (Mr. David Orazietti):** No, it's okay. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Mr. DiPede, my name is Marchese.

**Mr. George DiPede:** Yes.

**Mr. Rosario Marchese:** You could easily misconstrue it, couldn't you? It's DiPede, which sounds so beautiful when you say it right.

**Mr. George DiPede:** You've got the idea.

**Mr. Rosario Marchese:** We support Bill 8. We think all of you are going to say the same thing, I suspect. We argue that this is something that needs to be done. It makes sense. I think 60% of various communities are part of this. Sixty per cent, I think—is that not correct, Bob?

**Mr. Robert Bailey:** Yes.

**Mr. Rosario Marchese:** Forty per cent are not, and they're doing this voluntarily. There must be a reason why 40% of the other communities are not doing it, or not involved. Why is it? Do you know? What's the fear? What's the problem?

**Mr. George DiPede:** Honestly, I can't answer 100% why they're not involved, but I think a lot of it is: Some utility owners don't want to be mandated to have to be part of something that would force—

**Mr. Rosario Marchese:** Why not? What's the cost to them?

**Mr. George DiPede:** There is no cost, as far as I know. There's a lot greater cost when utilities are not located in a timely fashion, not only to the contractor but potentially to the utility owner as well.

**Mr. Rosario Marchese:** What about municipalities? Do they lose any control in terms of policy direction on this that you're aware of?

**Mr. George DiPede:** No, not at all.

**Ms. Susan McGovern:** No. It actually results in a safer community for the municipal sector.

**Mr. Rosario Marchese:** Okay. Yeah, right.

These are the questions. We understood that there may be some communities that are afraid of losing some control, and I don't know what that might be. I don't know why many are voluntarily involved and some not, which is why you and others want to make it a mandatory thing. It seems to make sense from a safety point of view. I never quite understood the arguments from the other side, but maybe we'll get it, and hopefully this is a way to solve some of those questions. Thank you.

**The Chair (Mr. David Orazietti):** Thank you. Mr. Coteau.

**Mr. Michael Coteau:** I'd just like to thank you and Ms. McGovern for coming here today. I appreciate the work you do in keeping our communities safe and the people who use that infrastructure safe.

I have a question about the local routing service provider. I guess the first question is: Why do you think there should be only one? The second one: If there is one, what type of system can you put in place to have more of a fair RFP process to choose the best provider? I guess the third question is: What will happen to those other providers in the 40%? Will the legislation just end their ability to service the communities that they've been connected to for a long time?

**Mr. George DiPede:** I don't think we're saying that there should only be one. Each community and each utility owner is still going to be responsible for providing the locates. What the One Call does is, it's a call centre basically that allows us to make one phone call, we give the description of the work we're doing, the depths we're going, the location and when we need the locate done, and then they dispatch to the various utilities who are responsible for locating it. The actual provider of the locate itself: The utility owners can pick whoever they want. They can open it up to a fair market. We're not asking for one locator; we just want one call centre that allows us to do it.

**Mr. Michael Coteau:** Right now, the One Call centre works with 60% of the municipalities; is that correct?

**Mr. George DiPede:** Yes, but it only works with—to my knowledge, what we've always had is only two: Bell and gas. So when you call One Call now, if there is a voluntary participation, they only call Bell and gas. Every other utility—cable, different hydros, water and sewer, etc.—they're all separate phone calls you have to make.

**Mr. Michael Coteau:** So those other calls—

**The Chair (Mr. David Orazietti):** Mr. Coteau—

**Mr. Michael Coteau:** That's it?

**The Chair (Mr. David Orazietti):** Sorry. I've got—

**Mr. Michael Coteau:** Oh, perfect. Thank you very much. I appreciate it.

**The Chair (Mr. David Orazietti):** We appreciate it. That's our time. I know we're going to hear more about this through the other presentations, and members will ask questions. Thanks for coming in today.

**Mr. George DiPede:** Thank you for your time.



## UNDERGROUND ENGINEERING SERVICES

### PROMARK-TELECON INC.

**The Chair (Mr. David Oraziotti):** Our next presentation: Underground Engineering Services and Promark-Telecon Inc. Good afternoon, gentlemen, and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. Any time you don't use will be divided among members of the committee to ask questions. You can just start by stating your name for our recording purposes and proceed when you're ready.

**Mr. Ophir Wainer:** Good afternoon, honourable members. My name is Ophir Wainer. Beside me is Jim Teehan.

Honourable members of the committee—

**The Chair (Mr. David Oraziotti):** Could you just pull the microphone a little bit closer to you, so we can—thank you very much, sir.

1620

**Mr. Ophir Wainer:** You're welcome.

Honourable members of the committee, I stand here before you today representing two companies: Promark-Telecon and Underground Engineering Services. Promark-Telecon is a Canadian company that was created in 1996 to respond to business opportunities created initially by two major utility industry groups in eastern Canada, various telecommunication companies and natural gas distribution industries to significantly improve the entire process of locates in Ontario and Quebec. These decisions led to the creation of Ontario One Call.

For over 10 years, Promark-Telecon has been providing various utility locates in Ontario and Quebec for clients as diverse as Enbridge Gas, Bell Canada, Vidéotron and Hydro Ottawa. Promark-Telecon is one of the leading locate service providers in Ontario and Quebec. Promark-Telecon effectively operates in both Ontario One Call and Info-Excavation—the sister to Ontario One Call in Quebec—the locate request organizations in Ontario and Quebec.

Promark-Telecon is involved with the Ontario Regional Common Ground Alliance, the ORCGA. This is a proactive approach to damage prevention that involves the audience operating in the underground environment.

Underground Engineering Services offers specialized services that provide timely and accurate underground utility information, both horizontal and vertical, for municipalities, consulting engineers, surveyors, project owners and private property owners who wish to pinpoint the location of various utilities in the public right of way during the design stage of their project.

UES holds a certificate of authorization—a C of A—from the PEO, Professional Engineers Ontario. UES is a very active member of the Ontario Regional Common Ground Alliance.

UES and Promark-Telecon Inc. both have a very high stake in the safety of the infrastructure community. We

are on the front lines every day of damage prevention as an LSP—locate service provider—and as an SUE firm—a subsurface utility engineering firm. The firm's professional DPTs—damage prevention technicians—and SUE technicians provide utility locates to all forms of excavators, from large-scale excavation companies to the homeowner excavating his backyard.

As the public face to many utilities, our DPT and SUE technicians have a vast and wide interaction with the public. As utility ambassadors they travel from location to location, designating utilities for the common good of the public at large, not just for safety but for the overall economic good of society. On a daily basis they serve as educators, informing the public of the damage prevention message.

This message is overshadowed by the message that One Call is not really One Call. Our DPT and SUE technicians are left scrambling for words in trying to convey the damage prevention message when they are asked by the public at large who to call for locates. Should he or she provide the telephone book numbers—and if you'll take a look at note 1, I actually provided a little sheet which is provided by the city of Ottawa, which lists 13 numbers which you're required to call when you're excavating in the city of Ottawa. Should he or she provide the telephone book numbers related to that specific area, and the caller happens to omit one of the numbers, the ramifications could be devastating, economically and safety-wise.

Having a true One Call would protect the \$100 billion of infrastructure assets that Ontario is estimated to have. True One Call would also cause a reduction in the estimated 12,000 third party strikes that have occurred in the province of Ontario in the last year.

UES works on both sides of the proverbial coin, operating as locate provider and, from time to time, as an excavator during SUE projects for utility verification. The current hole on the One Call picture disturbs me. I, as a damage prevention professional, sometimes struggle to ensure that I have made all the necessary calls. There are areas where there are no physical indications that a subject utility is evident, and without prior knowledge of this utility, it could be missed.

Case in point: UES was conducting an SUE—subsurface utility engineering—operation at the Bridgepoint Health centre for the redevelopment of the hospital. A full utility circulation was done, and once the design planning stage had been completed, UES began to verify, with vacuum excavation technologies, some locations of the vertical depth of the utilities. During this process, UES had placed a call to One Call and various other organizations—to be exact, three calls: to the Ontario One Call Centre, city of Toronto 311, and Dig Line Ontario for some telecom members. When verification began, we had discovered and damaged the outer coating of an undocumented fibre optic communication cable line to the hospital. This action could have placed lives at risk, not to mention the economic impact on the hospital and all others at the hospital. The following was a result



of a telecommunication fibre provider to the hospital not being a member of the associated One Call or Dig Line Ontario, rather a separate call to the provider that was unknown to UES.

Promark-Telecon Inc. and UES as an organization live the day-to-day life of damage prevention and public safety question. If the above incident can happen to us, then the consequences to the layman are significant. The amount of damage and public risk associated with not passing this bill is nearly bordering on negligence. In the US, where the legislation was passed in July 1998, public awareness is very high, and with the additional legislation of the 811 one-call number, the damages have significantly decreased. I've also placed on footnote 2 a graph of the damages decreasing year over year over year with the release of 811 and also the one-call legislation. The decrease in utility damages and increased public safety and economic productivity is a direct result of the mandatory one-call system.

I urge the standing committee to endorse and take heed of the words I've spoken today. This is not just a passive issue with little to no consequence, but rather an issue of great public need to protect the economic and safety well-being of all Ontario residents. We must take pride that such a diverse group from all walks of life have come to support this issue, from the excavators to the regulators to the municipalities to the utilities and even the Ontario Association of Fire Chiefs. Politicians from all walks—Conservative MPP Bob Bailey and NDP MPP Paul Miller—have all thrown their support behind Bill 8. Others must consider the consequences of not taking a similar proactive position.

**Mr. Jim Teehan:** I will just add a small point: UES and Promark-Telecon are in the industry, 38 years of experience in it, and it is still extremely difficult for those in the industry to find out everything that's underground. What chance does the average Joe have of operating effectively and safely in that environment? Extremely tough.

**The Chair (Mr. David Oraziotti):** Thank you, gentlemen, for your presentation. In rotation, Mr. Marchese, your NDP caucus is up.

**Mr. Rosario Marchese:** You both make good points. As I said to the earlier presenter, I suspect all of you will say the same thing over and over again. And it makes sense, because that's all you can say. The point of having it mandatory is that, first, it would make it easier for everyone. Second, when you have one call centre, then everybody is involved. The previous presenter said that when you call now, the call centre only connects you to Bell and gas, not the others. So that's a problem. If you have a mandatory system, then you can capture federally governed systems as well, which would bring in TransCanada Pipelines connections into this, and that would be good, too, I imagine. Do you want to speak to that as well?

**Mr. Jim Teehan:** Yes. There are a number of other facility owners, utilities that are a member of One Call. If you go to Niagara, for example, you will get your locates

done with one phone call for six utilities. In Ottawa there are five utilities involved in One Call: hydro, Bell, gas and a number of others.

**Mr. Rosario Marchese:** Right.

**Mr. Jim Teehan:** So it's effective, it's easy. It'll take away an excuse of it being too complicated and time-consuming to get all the information you need before you dig. You have one source; they will take care of distributing that message to all the member utilities.

**Mr. Rosario Marchese:** To everyone, right.

**Mr. Jim Teehan:** And if all utilities are members—I hesitate to use the word “no-brainer,” but it is.

1630

**Mr. Rosario Marchese:** The interesting thing is that 50 states do it. They all have one call centre in every state, which is unbelievable.

**Mr. Jim Teehan:** It's mandated.

**Mr. Rosario Marchese:** Interesting stuff.

**Mr. Jim Teehan:** Yes.

**Mr. Rosario Marchese:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Ms. Mangat, go ahead.

**Mrs. Amrit Mangat:** Thank you, Jim, for the presentation and the work you are doing.

In my opinion, the bill lacks an accountability and transparency framework for the proposed one monopoly service provider. If there is one service provider, there will be no competition. In your opinion, what do you propose to ensure that the service provider can effectively and efficiently provide its monopoly service so that it is cost-effective and meets the needs of the members?

**Mr. Jim Teehan:** If you take a look at the work that has been done within Ontario One Call—now, there are more knowledgeable people than I about the inner workings of Ontario One Call. We are on the receiving end of their messages, but I know that they have made significant changes in their corporate structure, in their operating structure, to ensure that everybody has a voice in how that centre operates.

Frankly, they've made some remarkable decisions to exempt some of the utilities from actually contributing money to the operation of that centre. So I'm not sure what their rationale is for not joining, other than the fact that there are other players in it, perhaps; I'm not sure why they don't. Perhaps the utility people will have a better answer than I.

**Mrs. Amrit Mangat:** Would you mind sharing with the committee members what are those decisions they have made?

**Mr. Jim Teehan:** I'm sorry?

**Mrs. Amrit Mangat:** Would you mind sharing with the committee members—you talked previously about the decisions they have made. What are those decisions?

**Mr. Jim Teehan:** I'm not qualified to answer that. I think you will find some others who will come up who can better clarify that.

**Mrs. Amrit Mangat:** Okay.



**Mr. Jim Teehan:** I know that everybody gets a voice in how that operation—anybody who's a member gets a voice in that operation or how that operation runs and is managed.

**Mrs. Amrit Mangat:** Thank you.

**Mr. Jim Teehan:** You're welcome.

**The Chair (Mr. David Oraziatti):** Thank you. Mr. Bailey, go ahead.

**Mr. Robert Bailey:** Yes, thank you, Mr. Teehan and Mr. Wainer, for being here today.

I'll touch on the management of it a little later, but I know the people themselves, at One Call, when they come, they'll explain how the board of governance is going to work. We've heard a lot about gas and we've heard a lot about oil, but my understanding is that there are a number of other utilities, telecommunication facilities, that need locates. Could you expand a little bit on that, either one of you gentlemen? It's not just oil and gas, I guess, is what I'm—

**Mr. Jim Teehan:** Yes. That has been my history with the gas company and the locating industry. I believe that there are still some gas utilities that are not a member of Ontario One Call. I'm not sure why that is; you'd have to ask them. Maybe it's autonomy and maybe it's internal decisions. It might be a variety of things, so I can't speak for them.

**Mr. Robert Bailey:** We'll delve into that further, but I just wanted you to get on the record.

**Mr. Jim Teehan:** We, as the receiver of that information, both as a locate service provider—we go out and do locates for a number of utilities, and as well municipalities and consulting engineers in the design stage so that they don't have issues as they put it out to bid and go to construction. So we are the benefactor of that better information.

**Mr. Robert Bailey:** You're part of the due diligence that most organizations would practise today in modern Ontario.

**Mr. Jim Teehan:** Exactly.

**Mr. Robert Bailey:** To have this type of information allows you to tell a client who you're working with, like you'd say—in providing that information, you're doing your due diligence for that organization that you're representing.

**Mr. Jim Teehan:** Exactly.

**The Chair (Mr. David Oraziatti):** And with that, that's time. Thank you very much for your presentation. We appreciate your coming in.

#### NORTH ROCK GROUP

**The Chair (Mr. David Oraziatti):** Our next presentation is North Rock Group. Good afternoon. Welcome to the Standing Committee on General Government.

**Mr. Tony DiPede:** Thank you very much.

**The Chair (Mr. David Oraziatti):** You have 10 minutes for your presentation. Any time you don't use will be divided among members for questions. If you can

just simply state your name, you can start when you're ready.

**Mr. Tony DiPede:** My name is Tony DiPede. I am the general manager of North Rock Group. With me is Alex Karavelus, who is one of the excavator operators with our company.

**The Chair (Mr. David Oraziatti):** Go ahead.

**Mr. Tony DiPede:** Thank you very much. Forgive me for being a little nervous.

Good afternoon, committee clerk, members of provincial Parliament, ladies and gentlemen. My name is Tony DiPede. I'm the general manager for North Rock Group. I am a sewer, water main and road contractor in Ontario. In my over 30 years of construction life, I have worked from St. Catharines to Kingston, from Toronto to Huntsville. I have seen many changes in the construction industry with regard to utilities, such as amalgamation of hydro owners, consolidation of cables and provincial downloading of infrastructure.

We cross approximately 500 utilities in any given year on a street with 50 homes. The work that we do is full reconstruction. Usually we cross gas, Bell, hydro, sanitary and water services. That alone is 250 crossings, and there are other utilities that we cross at the same time.

I am here with my colleague Alex Karavelus, who, as I mentioned earlier, is an excavator operator with our company, North Rock. Alex has been with us since 1994. His father, Gus, retired as one of our employees and his brother John is also an excavator operator with North Rock.

North Rock Group is eager to provide advice and assistance to this committee in support of Bill 8, Ontario One Call. The time for Ontario MPPs to support Bill 8 is now, so we can continue to have people like Alex and John go home safely to their families and people like Gus retire safely from our industry.

North Rock Group was founded in 1992 by my family, the DiPedes. We are primarily an infrastructure general contractor, providing servicing construction for both public and private sector work across southern Ontario. North Rock grew out of the C.M. DiPede Group, a company owned by my father, in 1991. Our 20-year-old reputation has been built on quality workmanship, integrity, value and safety.

North Rock works in municipalities of all sizes, urban and rural, to bring you clean water and sewers. For example, tomorrow morning when you're brushing your teeth, remember us, because that's the kind of thing we do; we bring you your water and your sewer.

It must be remembered that Ontario One Call will benefit not only contractors, but municipalities and homeowners. Municipalities do excavations for repairs and landscaping in park areas and public areas also. Homeowners need to dig to put up fences on new or old properties. Currently, safe excavation is a real issue.

As spoken by the others already, currently all 50 US states have in place a mandatory one-call system supported by a mandatory one-call number, 811. These



initiatives executed by the US government have ensured that 99% of all locate calls end in safe excavations. These statistics are staggering and provide solid evidence that mandatory and timely one-call legislation is proven to foster safe workplaces for contractors like North Rock Group and the general public that we work for.

I'd like now to take a few minutes to speak on a real-life scenario in our industry. Each region in Ontario has at least one common shared road which divides the boundaries. There's a handout that we have given. It's a map of York region. As you'll see on that map, Steeles Avenue is a boundary between York and Toronto, and also between York and Durham. Within these municipalities, you have many cities such as North York, Markham, Toronto, Richmond Hill and Vaughan. These municipalities, at one time, may have had their own utility and hydro companies. That also is the second handout which we have handed out, and it shows these utilities. You can see the various numbers of the utilities that are out there in the municipalities. Each one has independent utilities.

So let's try to visualize this: a water main break at the intersection of Jane and Steeles. If you're not aware of it exactly, Jane and Steeles is where you have York University, Pioneer Village, the new subway station that is going to be built soon, cars, buses, business and foot traffic.

If we get called to do a water main repair, before North Rock begins to remove the asphalt for the repair, I would need to call the present-day One Call, and that present-day One Call would notify Bell and Enbridge. It's easy; one phone call, two utilities notified. Within a couple of hours, usually, they're there and we can start to dig.

However, based on the way that the One Call is set up today, that is unfortunately not the case. After I call One Call, then I would have to turn around and I would have to call PowerStream, as there could be PowerStream-owned hydro on Jane Street or on Steeles. After that, I would call Toronto Hydro because there could be Toronto Hydro-owned hydro on Jane Street or Steeles. Then I would have to call Hydro One, because there could be a Hydro One-owned utility, again, on Jane or Steeles. Then I would have to call Toronto traffic because they control the lights and the traffic signals on Steeles. Then I would have to call Vaughan roads because they control the lights and signals on Jane.

We're not done yet—far from it. Then I would have to call Rogers to call for their cables. Then I would have to call Atria communications to see if they have anything in the area. By the way, Atria—I didn't know it existed until two years ago.

Sorry, we're not done yet. York region needs to be called to determine whether it's their water main or Toronto's, and then you would have to call Toronto to make sure that it is theirs.

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There's still more; depending on where the break is, we would need to call the city of Toronto to locate the

sanitary sewers and the storm sewers, and then we would need to call the city of Vaughan to locate the sanitary sewers and the storm sewers.

I know this sounds onerous, but you can follow this all up. This is actually what we would have to do in an area similar to Jane and Steeles, where it's divided between the city of Toronto and York region. We need to ensure that all utilities are identified to make safe and fast repairs.

These calls I have identified will take approximately eight hours to complete on a good day. If we're lucky, all the utilities will be able to show up and perform their locates, which they are not mandated to do. If they do show up, which sometimes doesn't happen right away, this repair at a major intersection could take days, resulting in extended closures affecting everyday businesses at York University, Pioneer Village, not to mention halting above-ground traffic such as the UPS distribution centre that's there and the subway. A one-call system would allow people with the proper information and networks to expedite locates and repairs, and minimize the closures and resulting economic impact. Rushing never solves anything.

North Rock's recommendations to the committee: North Rock asks the committee to give serious thought to making Ontario One Call a mandatory system right now. North Rock also asks the committee to address the issue of timeliness and enforce a 48-hour turnaround for accurate locates. Finally, North Rock asks the committee to pass this legislation before the end of this session and to ensure that the regulations are drafted and implemented in a timely fashion.

Every construction season that goes by without mandatory One Call is another construction season that could prove to be harmful or fatal to our workers, their families and the general public. It is time to stop putting the people of Ontario needlessly at risk.

Along with North Rock and the rest of the construction industry, please support Bill 8, the Ontario One Call legislation.

In conclusion, North Rock Group, its employees and their family members thank the committee for the opportunity to publicly state our support for Ontario One Call. Once again, we must stress swift action in legislating Ontario One Call.

We look forward to working with the government and all MPPs across the province. Let us ensure the swift passage of Bill 8, resulting in a safer working environment for contractors and the general public.

If there's further information you require, I'm available by email, cell phone. We don't use smoke signals anymore, but we can try that one too.

**The Chair (Mr. David Oraziotti):** One Call, right?

**Mr. Tony DiPede:** One Call.

**The Chair (Mr. David Oraziotti):** We've got some questions for you, so the Liberal caucus is up first. Mr. Dickson, go ahead.

**Mr. Joe Dickson:** Thank you. Good afternoon, gentlemen. Well done. It would appear you're trying to deal



with costs, safety and productivity. I don't see anywhere here where Bill 8 is really addressing the fee setting. It doesn't indicate how fees for members will be set. It doesn't indicate how proposed members will be addressed.

A perfect example is municipalities. Of course, there are some questions from AMO as well. This raises concerns about potential cost escalation.

I know, in my business, if our industry had a reduction in paper and ink, everybody would have similar benefits and savings. The cost would go down and in theory the selling price would be less, so it's a win-win situation for the consumer.

This is all rather silent. It doesn't lay out a lot of things, such as fee setting, that process, and it doesn't really tell you how the members can be assured that they're going to get value for their money, especially if the cost goes down. Some of these members are obviously not going to have a running tally of that or are going to be privy to all of that information. It's a multitude of questions, but once you get into the finances and the selling price and everything else, there's a golden opportunity for a lot of things to happen.

**Mr. Tony DiPede:** Well, if I may answer—

**Mr. Joe Dickson:** Sure.

**Mr. Tony DiPede:** The first thing is: What's the cost of one life? Let's start with that. If Alex is digging, the machine that Alex digs with doesn't see whether it's a root, a water service or a gas main. If it's not marked and we're not told that it's there, he digs through it and he pulls that out of the ground. The cost of one life should be the number one thing here. Alex wants to go home to his family. I should probably let him speak to this, but Alex's concern isn't just for himself; it's for the people who are working in the hole with him, the kids who are walking through—because we work in front of schools; we work in front of your house, your house and your house; we work in front of everybody's house. Please, let's not forget that. So if they're not putting the proper utilities—if they don't come out there and do what they have to do in the timeline that we need, and we don't know what's there, we could be endangering everybody's life who's sitting in this room—your family, your children, your grandchildren; all of that. That has to be the number one concern here.

By calling One Call, I get this water main fixed at Jane and Steeles in a short time frame. If I have to call everybody—and I'm hoping that I've called everyone. All this amalgamation that's gone on—PowerStream. With municipal consent, the municipalities give the opportunity for the utilities to place utilities underground in various areas. I don't know what's underground because Ontario Hydro or Hydro One or whatever they call it this week is allowed to be on municipally owned property such as something that was owned by the province. But now that the province doesn't own that anymore and they downloaded it to the municipalities, Hydro One is on one side of the road and Toronto Hydro is on the other side of

the road. I make a phone call: I'm calling for hydro, but I don't know that I have to call for three hydros.

We did a project at Yonge and Finch. We didn't know—not because we're not educated; because someone has to give us the idea that it's there. If no one tells me it's there, there's no signs, there's no marking, I have no idea what's underground. The general contractor parked a trailer on top of an area. We were in a meeting. They came in and said, "You guys are parked on top of TransCanada Pipeline and Trans-Northern Pipeline"—I didn't even know it existed, and I apologize if anybody's here from them. They had parked the trailer, and we had to move the trailer. There was no idea, no identification, nothing, that Trans-Northern Pipeline goes through Yonge and Finch along the hydro corridor.

**The Chair (Mr. David Orazietti):** I need to stop you there because we need to move on with questions from all of the members or all of the caucuses.

I'm going to move over to Bob Bailey, who's waiting to ask you a question, and we can continue the conversation.

**Mr. Robert Bailey:** Thank you again for presenting today. I think you talked about the complexity of excavations, and I think that was very plain in your document, so I want to move on. I agree: The cost of one life—we can't put a dollar amount on that.

I'd like to turn to Alex. Alex, I started out in my career many years ago, I actually operated heavy equipment. I was in the position that you were in lots of times, operating. Could you speak to us, as the actual operator, of what it's like when you turn that big hydraulic machine loose on a piece of ground and once you commit to start going through—take us through it. I know what I'm talking about, but anyway, you explain to the committee what it feels like. How sure are you when you start to dig what is underground?

**Mr. Alex Karavelus:** Like you state, you don't know what's underground. I'm just going by what I'm told. So yeah, you get nervous at first, right? Because like I said, it's not my life; I've got other people around me, too. I've got other fellows that work in the hole. If something does go wrong, it goes bad for everybody. Sometimes we've been misguided, like Tony was saying, on whether they said it's marked or—the key word—not sure if it's there.

**Mr. Robert Bailey:** So you're really relying on the way the present system—

**Mr. Alex Karavelus:** On information.

**Mr. Robert Bailey:** You've got to rely on other people's good faith. The foreman or someone tells you, "Yeah, we made all the calls."

**Mr. Alex Karavelus:** Absolutely.

**Mr. Robert Bailey:** This One Call system would certainly alleviate, as much as possible, your mind for your fellow workers and your family. Like Tony said, you want to be able to go home. They want to send all their employees home every night.

**Mr. Alex Karavelus:** Like he was saying, the thing with One Call was—my big concern was, he might miss



something; he's human, too. Like he said, he's not aware of things. If a company comes in place like this, where they make the one call and everything's notified, you feel a little better, right? You're thinking, "Okay, that's what they do every day." That's their work on a daily basis. Like how we excavate and do the water and sewers—that's their call to make the call. Then you're not misled, I would think.

**The Chair (Mr. David Oraziotti):** Thank you. Mr. Marchese.

**Mr. Rosario Marchese:** What I want to ask the presenters that are coming today is just to reflect on the questions that are being asked because obviously, the Liberal members have questions that we need to answer, and I want to answer them, too. I know that you all have a presentation, but we need to address some of the questions that AMO is asking and that some municipalities are asking in order to be able to get a better sense of how we tackle them, because it's good to have the support of all three political parties obviously.

AMO is concerned that there may be double costs to municipalities, as I understand it. I don't know what that means and I don't know what they are, but we need to clarify it because we need to deal with that. Do you have a sense of that?

**Mr. Tony DiPede:** I think it's much more complex—

**The Chair (Mr. David Oraziotti):** Sorry; please respond, but just try to keep your answer fairly concise, if you can.

**Mr. Tony DiPede:** One Call, by doing that, now it's coming out of one area. There should be no major additional costs because of the fact that one person knows where it's going. The cost factor of it going up, I don't understand—I'm probably not the right person to be able to answer that. There should be no major additional costs for this to happen. It's coming out of one area instead of having 20 people working in different areas coming up with that. It's centralized; it's calling one place instead of calling 30.

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**Mr. Rosario Marchese:** So who's paying the fees to get this call centre?

**Mr. Tony DiPede:** The fees would be—I'm assuming they're going to come from the utilities.

**Mr. Rosario Marchese:** Not municipalities?

**Mr. Tony DiPede:** Municipalities would be, and again—I don't know the exact answer to that.

**Mr. Todd Smith:** Wrong person to ask.

**Mr. Tony DiPede:** Wrong person to ask, I think, would be the best way to put it.

*Interjection.*

**Mr. Rosario Marchese:** But some of them may know.

**The Chair (Mr. David Oraziotti):** I appreciate that. You're trying to get the questions on the floor.

That's the time for this presentation. We're going to continue this discussion. Gentlemen, thanks—

**Mr. Tony DiPede:** I can get you any answers you need, if I can follow up, if you have any questions later. Thank you very much.

**The Chair (Mr. David Oraziotti):** I appreciate you coming in today. I appreciate your presentation.

**Mr. Tony DiPede:** Thank you very much for the opportunity.

**Mr. Robert Bailey:** Chair, I think the next presenter would be more able to talk to the costs—

**The Chair (Mr. David Oraziotti):** Explain some of the rates? Okay. That's fine.

**Mr. Robert Bailey:** So, who's up first?

**Interjection:** You.

**Mr. Robert Bailey:** Me? Okay.

**The Chair (Mr. David Oraziotti):** You are.

**Mr. Robert Bailey:** Maybe I could tell him, before he starts his presentation, to talk to that, instead of—I don't know what his presentation is. I think he's doing it by video conference—

**The Chair (Mr. David Oraziotti):** Teleconference. He's on the line.

**Mr. Robert Bailey:** If that's okay with the Chair.

## COMMON GROUND ALLIANCE

**The Chair (Mr. David Oraziotti):** The next presentation is Common Ground Alliance. Robert, are you there?

**Mr. Robert Kipp:** Yes, I am.

**The Chair (Mr. David Oraziotti):** Robert, try to speak up a little bit, if possible.

**Mr. Robert Kipp:** I'll do my best. Ready to go?

**The Chair (Mr. David Oraziotti):** We are ready to go. You've got 10 minutes for your presentation. Robert, just so you know, there are bells ringing for a vote in the Legislature right now. We'll try to get through your part of the presentation. We may need to return for the question portion, but go ahead and get started.

**Mr. Robert Kipp:** Okay. My name is Bob Kipp. I'm with the Common Ground Alliance, a US-based organization. I was born and raised in Ottawa, graduated from the University of Ottawa, taught school for a few years, then went to work for Bell Canada in the 1970s. I held a wide range of positions in Bell, and in 1993, when I was with international, I was transferred to Virginia to manage our US operations. I was recruited from there in the year 2000, and that's how I came to Common Ground Alliance.

Common Ground Alliance is a non-profit organization dedicated to shared responsibility in the damage prevention of underground facilities. The CGA was created on September 19, 2000, at the completion of Common Ground: Study of One-Call Systems and Damage Prevention Best Practices. The study, sponsored by DOT of the US, was completed in 1999 by 161 experts from the damage prevention stakeholder community. Participants in the study represented the following groups: oil, gas, telecom, railroads, utilities, cable TV, one-call systems and centres, excavation, locators, equipment manufacturers, design engineers, and regulators—federal, state



and local. Common Ground study concluded on June 30, 1999, with the publication of *Common Ground: Study of One-Call Systems and Damage Prevention Best Practices*.

At the conclusion of the study, the Damage Prevention Path Forward Initiative led to the development of the CGA. We now count more than 1,500 individuals, representing 16 stakeholder groups and nearly 200 member organizations. In addition, our 65 regional partners total some 3,000 members, covering most states and Canadian provinces.

The CGA's nearly \$1.9 million in revenue for 2011 was derived from a PHMSA grant—US government—of \$500,000 and membership and sponsorship dues, totalling about \$1.4 million. In addition, members contribute approximately 10,000 hours of their time and pay for their expenses. The funding and contribution of time enable the CGA to complete its programs and operate the organization. CGA has three full-time employees and one part-time, and each of the CGA's 16 participating stakeholder groups has one seat on a CGA board of directors, regardless of membership, representation or financial representation.

We have six committees: best practices, technology, education, programs and marketing, data reporting, one-call systems and regional partners committee. The committee decisions are made by consensus of all 16 stakeholders. Every best practice, every educational initiative, every decision at the committee level comes with the support of every stakeholder group.

I'm speaking here on behalf of the CGA and its members across Canada to lend my support of enactment of a one-call law in Ontario. I'll provide you with some US experiences that might help influence this outcome. It's important to note that when I refer to the CGA and its working committees, numerous members of these committees work and reside in various provinces in Canada. One of our directors, Mike Sullivan, is the head of the Alberta One-Call centre and the Canadian CGA.

There is no single comprehensive national damage prevention law in the US. On the contrary, all 50 states have a law designated to prevent excavation damage to underground utilities. However, these state laws vary considerably and no two state laws are identical. Therefore, excavation damage prevention stakeholders in each state are subject to different legal and regulatory requirements. Variances in state laws include excavation notice requirements, damage-reporting requirements, exemptions from the requirements of laws for excavators and/or utility operators, and provisions for enforcement of the laws and many others. Though these laws have existed in some cases since the 1970s, there's always room for improvement.

That said, in recent testimony to a Congressional subcommittee on pipeline reauthorization, a number of associations recommended that two issues be reviewed with respect to one-call laws in the US: first, the removal of exemptions to the various state laws; and secondly,

where none exist today, institute effective enforcement programs of those state laws.

On April 2—earlier this week—the Department of Transportation issued a notice of proposed rule-making, and it stated in part that “though all states have a damage prevention program, not all states adequately enforce their state damage prevention” one-call “laws....

“Excavation damage poses by far the single greatest threat to distribution system safety, reliability and integrity; therefore, excavation damage prevention presents the most significant opportunity for distribution pipeline safety improvements.

“States with comprehensive damage prevention programs that include effective enforcement have a substantially lower probability of excavation damage to pipeline facilities than states that do not. The lower probability of excavation damage translates to a substantially lower risk of serious incidents and consequences resulting from excavation damage to pipelines....

“Based on incident reports submitted to” the government, “failure to use an available one-call system is a known cause of pipeline accidents.... PHMSA was able to obtain data for three states over the course of the establishment of their excavation damage prevention programs,” and that information is available from the government. “Each of the three states had a decrease of at least 63% in the number of excavation damage incidents occurring after they initiated their enforcement programs. While many factors can contribute to the decrease in state excavation damage incidents, PHMSA found these states to be a helpful starting point on which to estimate the benefits of this rule-making.”

The report goes on to state: “As noted, PHMSA supports effective state excavation damage prevention law enforcement to protect pipelines. PHMSA strongly believes that individual states should retain the primary responsibility to enforce their excavation damage prevention laws effectively. The proposed regulations do not conflict with the best practices established by the Common Ground Alliance....

“NUCA”—the National Utility Contractors Association—“commented that ‘participation’ in excavation damage prevention includes calling the one-call centre before excavating. However, NUCA also commented that underground facility operators being members of the appropriate one-call centre is fundamental to the excavation damage prevention process and that exemptions only increase the likelihood of facility damages. NUCA cites the Common Ground” study “for which ‘the underlying premise for prevention of damage to underground facilities, and the foundation for this study, is that all underground facility owners/operators are members of one-call centres, and that it is always best to call before excavation.’”

The CGA best practices are quickly becoming the standard on damage prevention practices. A number of states in the US have adopted some or all of the best practices in their laws or rules governing excavation practices. The best practices committee, a diverse, 70-



plus-person committee of damage prevention professionals, comprised of all stakeholder groups, including representation from most Canadian provinces, is very cognizant of the evolution of and gives the utmost thought and care to every practice considered.

The damage prevention leaders in Canada have modified the best practices to make them relevant in Canada and are using the Canadian version in most provinces today. The CGA prints a new edition of Best Practices every year, reflecting changes made in the current year.

In August 1999, the 161 experts who developed the best practices unanimously agreed that an effective compliance and enforcement program at state level was required to reduce the incidences of damages to the infrastructure. That idea holds true today. The best practices have remained the same on this issue since they were first written more than 10 years ago. The CGA believes a consistent, fair and balanced state enforcement of one-call laws in states where no enforcement exists today has the greatest potential for helping reduce damages. There are states that enforce their laws without impacting their already tight state expense budgets. We believe the second most important consideration is the elimination of state exemption to one-call laws.

These two issues, if implemented, will help us continue the yearly trend of reduced excavation damages in the US.

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I would speak briefly now about the CGA's damage information reporting tool. DIRT is an effective means of collecting data on damages to underground facilities. This is a voluntary filing requirement that can assist in the collection of data on damages. The data is made available to all by the CGA. Tailored versions called Virtual Private DIRT are also available. To date, Ontario, Quebec, Alberta, BC and others gather provincial damage data through our system. More than 112,000 damage reports were input to our system in 2010. As we work to completion of our 2011 report, more than 200,000 damage reports are already in the system, ready for analysis and publication.

The primary purpose in collecting underground facility damage data is to analyze the data and learn why events occur and how actions by industry can prevent them in the future, thereby ensuring the safety and protection of people and the infrastructure. Data collection allows CGA to identify root causes, perform trend analysis and help educate all stakeholders so that damages can be reduced through effective practices and procedures.

Finally, in March 2012, the GAO—United States Government Accountability Office—report on collecting data and sharing information on federally unregulated gathering pipelines stated, "As to the effectiveness of one-call programs, the Common Ground Alliance has reported that, in 2010, when an excavator notified a call centre before digging, damage occurred less than 1% of the time." A very impressive—

**The Chair (Mr. David Oraziotti):** Robert, sorry. We're a few minutes over the 10, so I'm going to need to stop you there. You've got an opportunity to respond to some of the questions. I'm going to turn it over to the Conservative caucus. Bob Bailey is going to ask you a couple of questions.

**Mr. Robert Bailey:** Mr. Kipp, thank you very much for your presentation. We might have to go in a few minutes. I don't know whether we'll keep you on and come back, but anyway, I'll try and get through mine.

Real quick: You've done a great rendition there of how this works in the 50 US states and how it would be important here. We do have a number of questions from the members of the Legislature who are present today. Could you speak to—apparently there are some issues with AMO, the Association of Municipalities of Ontario; they've got some concerns with this bill. And also speak to the cost and the governance of this new board, if you could.

I won't ask you anything else, if you can go into that in some detail to alleviate some of the questions some of the members have that are here today. Okay?

**Mr. Robert Kipp:** Yes. In the US, some municipalities belong and some don't, but one of the things that's coming out of the new pipeline safety reauthorization is that they will remove exemptions and that all municipalities, if they own the infrastructure, will have to adhere to state one-call laws.

In terms of the cost of the one-call boards, that varies, how they do it, but it's typically member-driven, and they either pay—or owner-operator driven. When I say "member-driven," if you own infrastructure, you pay in. It may vary by the size of your infrastructure.

Then you will also be billed—generally speaking, again, not in all cases—on a per-ticket cost. So when you call the one-call centre and you say, "Hey, I'm about to dig here at Spruce and Main. I want the locates done," the one-call centre will check their maps, they'll see that Ontario Hydro is there, Bell Canada is there, and somebody else is there. They will send them the ticket, they will send the locators out there, and they will bill them per ticket issued—anywhere from 65 cents to \$1.25, depending on the state.

**The Chair (Mr. David Oraziotti):** Okay, thanks for the response. That's it, Bob, on this one. I need to move on.

Ms. Campbell, do you have a question?

**Ms. Sarah Campbell:** That was my question.

**The Chair (Mr. David Oraziotti):** Okay. Ms. Mangat, go ahead.

**Mrs. Amrit Mangat:** Thank you, Robert. My question is, how much support is there from the affected parties such as telecommunication and cable companies? And do they support mandatory membership?

**Mr. Robert Kipp:** Well, all of our best practices are done on a consensus basis, so the answer is yes. In terms of support, they all support their own one-call centres, but in terms of the Common Ground Alliance, we receive literally tens of thousands of dollars from all of these



industries, and I don't think they would support us if they didn't see the benefit. We estimate that damages in the US have gone from \$450,000 in 2004 to \$160,000 in 2010. So that is a major, major reduction in damages, and those are obviously reductions in costs to all of the infrastructure owner-operators.

**Mrs. Amrit Mangat:** Thank you.

**Mr. Michael Coteau:** Time for more questions?

**The Chair (Mr. David Oraziotti):** Okay. Go ahead.

**Mr. Michael Coteau:** Thank you very much, Robert. First, I just want to apologize for the bells in the background. It's a repeat of yesterday; it's our opposition trying to end debate.

I have a quick question to ask you first. In regard to municipal governments that have found success in setting up their own system, what would you say to a municipal government, a small regional government, that has put a lot of time and investment into its own response centre and now it's being told, if this legislation does pass, that the provincial government is going to standardize it right across the system? Do you think there's value in smaller regional outfits that are successful?

**Mr. Robert Kipp:** I think when you look at what has happened, if I go to the US and I say—you know, they're consolidating versus getting smaller. So when you look at the province of Ontario having one One Call centre, personally, I think that makes sense. You've got one centre, one phone number. The calls will all be dispatched to them from that One Call centre. The One Call centre will access their mapping system and will enable them to, first of all, if they have antiquated mapping systems, get a better mapping system as a cost-sharing type of thing. I think you will see that their costs will be reduced in the long run and the damages will be reduced, which, in total, affects all of the people who live in their municipalities and their own people. So I think it's a win-win, quite frankly.

**Mr. Michael Coteau:** Is Common Ground Alliance a not-for-profit agency, or is it for-profit?

**Mr. Robert Kipp:** Yes. It's a 501(c)(3) not-for-profit.

**Mr. Michael Coteau:** Okay, thank you very much.

**The Chair (Mr. David Oraziotti):** Mr. Bailey, do you have a quick question?

**Mr. Robert Bailey:** I've got a real quick question. Thank you, Mr. Kipp. It's just more a statement. Just to confirm, it will cost utilities maybe \$1.70 to make a call. But it's my understanding that the general public, if I was putting a fence up or a deck, there's no cost to the general public for Joe Q. Smith who calls up to do a locate. Am I correct on that?

**Mr. Robert Kipp:** Totally free. There were 26 million requests last year to one-call centres in the US. From that, they issued 147 million locate requests. All of the calls are free.

**Mr. Robert Bailey:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your time. That's time for your presentation. I appreciate you being on the line with us today.

**Mr. Robert Kipp:** Thank you very much. Good luck.

**The Chair (Mr. David Oraziotti):** Thank you. Good-bye.

#### DRILLCO FOUNDATION CO. LTD.

**The Chair (Mr. David Oraziotti):** The next presentation—

*Interjection.*

**The Chair (Mr. David Oraziotti):** Well, I think we can get the presentation in. Okay?

**Mr. Michael Coteau:** And we'll come back for questions?

**The Chair (Mr. David Oraziotti):** Yes, absolutely. We'll be flexible on that.

Good afternoon, sir. Welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation. We're in the middle of this but we'll make sure we accommodate you, so go ahead and you can start.

**Mr. Neil Strowbridge:** Certainly. I probably won't take the 10 minutes allotted.

I'm representing Drillco Foundation Co. I'll give you a little history of myself. My name is Neil Strowbridge. I am a Canadian-registered safety professional in my 15th year in the safety profession. I have worked for a variety of industries within the last six years, and the construction sector has been my focus.

I currently work as the regional safety adviser for Drillco Foundation Co., which is owned and supported by North American Construction Group, based in Acheson, Alberta. We have 4,000 employees around the world, with the largest concentration of employees in Fort McMurray, Alberta. Locally, we have 75 employees in Ontario, and we specialize in work consisting of caisson, shoring and piledriving.

We're active members of the Ontario Association of Foundation Specialists and the Ontario Regional Common Ground Alliance. Our interest and participation in both of these industry associations is for the improvement of safety performance in our industry.

As a construction employer, we contribute significantly to the growth of the economy in Ontario and provide sustained employment for our dedicated family of employees.

We support Bill 8 for a number of reasons, and I'm going to describe a couple of these reasons. Requiring all utility owners to be a member of Ontario One Call will allow Drillco, for example, to operate more efficiently and safely when it comes to preparing to perform our work. Currently, we may need to contact upwards of a dozen utility owners throughout the province to locate their buried services that may or may not travel through our work site. If there was one phone call to make to prepare for a job and identify all underground utility owners, we could shift resources to other areas of our business.

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Additionally, if we could contact One Call and know that all underground utility owners would be contacted to locate their buried service, we would be confident that



there would be a decreased risk of incidents while performing our work. This would allow for safe drilling, with operators focused on performing their job safely without worrying that they may contact a hidden hazard, putting themselves, their co-workers and the public at risk of injury or death.

Personally, I have had the unfortunate experience of being involved with incidents of damage to underground utilities in my role as a safety professional on a number of occasions. By having one number to call to initiate the process of locating underground utility hazards, we could potentially reduce instances of contact with and damage to public services that could result in injury and always result in the disruption of service.

While working for a previous employer, I recall investigating an incident for damage to a fibre optic cable that resulted in lost service for 800 customers for 36 hours while the repair was made, which ended in a cost of \$75,000; as well as a water main that was damaged and required repairs that lasted for six hours. In both cases, the project manager who prepared the job thought he had contacted all utility owners by requesting the locates through our current One Call system. Thankfully, there were no injuries in either incident.

Overall, I think the benchmark, as the previous speaker indicated, is the use of the true one-call system in the US, where calling 811 would initiate the locating of underground utilities. This system has allowed 99% of locate calls to result in safe excavation. The time for a mandatory one-call system in Ontario, we feel, is now. Municipalities, large and small, urban and rural, are in support of this bill, and I'm sure, through these public hearings, you will find that support.

Reducing the risk of injury and incidents of damage will result in millions of dollars in savings and consistent services to the public in Ontario. As we enter this busy construction season, we need to pass the legislation now, in the spring sitting, before more people are affected by disruption, or worse, by injury. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. We've got a few minutes.

**Ms. Sarah Campbell:** I don't have any questions at this point.

**The Chair (Mr. David Oraziotti):** Okay. Ms. Mangat, go ahead.

**Mrs. Amrit Mangat:** Thank you, Neil, for the presentation. In your presentation, you have said that municipalities, large and small, urban and rural, are all in support of this bill, whereas my understanding is AMO doesn't support it. They don't support mandatory membership. Why not provide flexibility instead of making it mandatory?

**Mr. Neil Strowbridge:** From my understanding, now, with the system, it is voluntary, and we're not seeing the participation through One Call from the utility owners to have the impact on the safety for excavators and construction companies that are affected by contact of underground utilities. So, by having a mandatory participation,

it eliminates the companies that don't want to or don't feel that they will benefit from participation.

**Mrs. Amrit Mangat:** Thank you.

**The Chair (Mr. David Oraziotti):** Mr. Smith?

**Mr. Todd Smith:** Thank you, Mr. Chair. I'm interested in the fact that what you spoke about when you were talking about hits—basically what happens is, when there is a hit, and it takes out Internet or water services, the one thing we haven't touched on today is the effect that those kind of strikes have on commerce and on business. Is there any way to measure how much these impact businesses when these do occur? I know, just a couple of months ago in Belleville, where I'm from, there was a hit that occurred, and it took out all the banking and Internet services in the entire city for an entire day.

**Mr. Neil Strowbridge:** Right. It's difficult to put a monetary value on it but it certainly can estimate—the people who are impacted and how their lives are affected both financially and personally through not being able to bank on that particular day, or worse, if there's a gas explosion and people's lives are affected with personal injury. So, absolutely, it's difficult to put an estimate on it. I think the Ontario Regional Common Ground Alliance does have the statistics with the number of incidents that occur, and you could average those numbers. I don't have them with me, Mr. Smith, to be able to speak to those directly.

**Mr. Todd Smith:** The savings that do occur for municipalities—I know the members opposite talk about the fact that AMO doesn't support this, but the numbers of savings that occur by eliminating these types of strikes because of these one-call services are enormous, aren't they?

**Mr. Neil Strowbridge:** Absolutely: number one, for repair costs; number two, down time. The costs, certainly, to the municipalities are substantial, and substantial enough that participation should be encouraged.

**Mr. Todd Smith:** And when you consider the small amount that this service will cost municipalities to buy in, the savings are exponential compared to that cost.

**Mr. Neil Strowbridge:** That's my belief as well.

**Mr. Todd Smith:** Thank you.

**The Chair (Mr. David Oraziotti):** Mr. Bailey, anything?

**Mr. Robert Bailey:** Just to emphasize what my colleague said, the opportunities, as well—it's the confidence, when you send employees out, that you're going to be able to send them home again at night.

Would this bill, with some tweaks to make it even better, reassure you and your employees, when you send them out every day, that they're going to come home at the end of the day to their families?

**Mr. Neil Strowbridge:** It absolutely would. I think it would give the operators, number one, the confidence that they are operating the equipment and they can then focus on the employees around that they're interacting with, the other moving equipment on-site, above ground,



that they can see, and eliminate that risk of contacting some hidden hazard that they can't see.

**Mr. Robert Bailey:** Fine.

**The Chair (Mr. David Orazietti):** Neil, thanks very much for your presentation. I appreciate your coming in today. Thank you, folks.

We'll recess here for the vote, and if members could make their way back to the committee room after the vote, that would be greatly appreciated, so we can continue with the presentations. Thank you.

*The committee recessed from 1716 to 1726.*

## NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

**The Chair (Mr. David Orazietti):** Okay, folks, we'll resume deputations. I believe the next group we have is the Northwestern Ontario Municipal Association. We have folks on the telephone with us. Welcome to the Standing Committee on General Government. Members are here to hear your presentation. If you just want to start by stating your name, you've got 10 minutes for your presentation, and you can begin when you're ready.

**Mr. Larry Hebert:** Thank you. My name is Larry Hebert. I'm a councillor with the city of Thunder Bay and vice-president of the Northwestern Ontario Municipal Association, NOMA. With me is Charla Robinson, the executive director of NOMA. We're very pleased to have this opportunity to express our concerns regarding Bill 8, An Act respecting Ontario One Call Ltd.

NOMA represents the interests of 37 municipalities, from Kenora and Rainy River in the west to Hornepayne and Wawa in the east.

Bill 8 would require all municipalities in Ontario to join Ontario One Call Ltd. The objects of the corporation are outlined in the bill as follows:

- a call centre that receives queries regarding the location of underground infrastructure;
- identifies whether underground infrastructure is located in the vicinity of a proposed excavation site;
- notifies members of proposed excavations that may affect underground infrastructure; and,
- raises public awareness of the need for safe digging.

NOMA has three specific concerns with Bill 8.

Concern number 1, the mandatory monopoly: Our members do not believe that there is a need for Bill 8 and are concerned that this legislation creates an unnecessary but mandatory monopoly that will duplicate services that are already successfully provided by municipalities and private companies across Ontario.

Our members strongly believe that each municipality should have a choice as to how it wishes to manage infrastructure locate calls. Many municipalities across the northwest currently provide infrastructure location services, either as a municipal service or by contract with private providers. This process is working well and deals with the needs of both the communities and the citizens they represent. There is no need for a legislated solution, as there is no problem to be solved.

Concern number 2, additional costs to municipalities: While Bill 8 will create a central call-handling number and provider for all of Ontario, it will not change the way in which municipalities or utilities administer infrastructure locates, meaning that municipalities and the public will have to pay for these new call-handling services, while continuing to pay for the provision of location markings as normal.

The legislation requires every municipality in Ontario to become a member of Ontario One Call Ltd. within 12 months of the act coming into force. It is our understanding that each municipality will need to pay a \$1,000 fee to join Ontario One Call, regardless of whether or not they own any underground infrastructure. This is an unnecessary additional cost on municipalities and their taxpayers.

Further, we understand that a fee of between \$1 and \$1.60 is charged by each locate dispatched. Ontario One Call has advised NOMA in writing that municipal owners pay nothing for the processing of water, sewer, traffic or streetlight locates at this time. However, there is a concern that fees could change in future, as it is anticipated that the creation of a single-provider system could result in higher fees due to the lack of competition.

The legislation further requires a member to "immediately ... provide such information to the corporation as is necessary for the corporation to identify the location of all underground infrastructure owned by the member." NOMA is concerned that small communities may not have the capacity to provide this information without incurring significant additional costs to their municipality.

Concern number 3, impact on other providers and possible loss of jobs and local business: Current locate service providers have invested significant resources in the development of systems that meet specific local needs in northwestern Ontario. These providers will be forced out of this service by the passage of this private members' legislation with no consideration for economic impacts or job losses.

Bill 8 does not just set up a one-call system; it also mandates a specific company, Ontario One Call, to provide the service across Ontario, with no bidding process to allow other interested providers, whether corporate or municipal, to submit proposals to provide the same service in their specific area or region. If the intent of Bill 8 is to set up one number for Ontarians to call, surely the legislation could be drafted in a way that outlines the requirements of the provider while also putting in place a fair bidding process that meets this need while not forcing current companies out of business.

My time is fleeting, but I would like to mention a few other concerns. The legislation does not indicate who will be responsible to provide oversight, the board governance structure of Ontario One Call, what penalties or fines will be charged for an offence or who would be liable in the event of a mislocate that results in damage. While we understand there will be regulations in the future that address these issues, we're concerned that



these items will not be outlined until after the legislation is enacted as law.

NOMA is categorically opposed to Bill 8 as it currently is written.

We'd be happy to answer any questions from the committee.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. The Liberal caucus is up first. Questions? Mr. Dickson, go ahead.

**Mr. Joe Dickson:** Thank you for your report, Larry. I just have a question: If you had the opportunity to opt out—because so much of this seems to be good in central Ontario—would that solve your problem?

**Mr. Larry Hebert:** It depends what you mean by opting out. If it means that we could go with current providers as is or if it went out to an RFP or whatever for providers, yes, I think that would satisfy people in north-western Ontario.

**Mr. Joe Dickson:** You're right; I didn't explain that very well. I was going to say within the northern boundaries, you know, in an area that would accommodate you and others such as yourselves who have these issues to deal with, and yet still deal with the masses in central Ontario.

**Mr. Larry Hebert:** Right. We have, and probably other areas in Ontario do as well, a number of communities that don't have any infrastructure whatsoever in the ground.

**Mr. Joe Dickson:** Okay, sir, thank you. Appreciate it.

**Mr. Larry Hebert:** Thank you.

**The Chair (Mr. David Orazietti):** Go ahead, Conservative caucus.

**Mr. Robert Bailey:** I'll cede to Mr. Fedeli.

**The Chair (Mr. David Orazietti):** Mr. Fedeli, go ahead.

**Mr. Victor Fedeli:** Good afternoon, Mr. Hebert. It's Vic Fedeli, the MPP from Nipissing.

**Mr. Larry Hebert:** Good afternoon, Vic.

**Mr. Victor Fedeli:** Can you clarify for me how you believe your residents or the businesses and the municipality itself are better served by an existing process, the one you have today, that requires multiple calls?

**Mr. Larry Hebert:** Well, we in Thunder Bay belong to DigNORTH. Two other communities in the northwest do belong to One Call now on a voluntary basis. Others do it on their own or don't have to do it because they have no infrastructure. Right now, there have not been any problems with the current system, so we're thinking, "What's the problem? Why do we have to do this?"

**The Chair (Mr. David Orazietti):** Brief follow-up; go ahead.

**Mr. Victor Fedeli:** I have been informed that the city of Thunder Bay was previously using the DigNORTH system on a trial basis and has decided not to continue. Can you explain why the city decided to drop that service?

**Mr. Larry Hebert:** I'm not aware that we have dropped the service. That is news to me, and I will follow up on that.

**Mr. Victor Fedeli:** Can you describe the current system in Thunder Bay, then? If I want to call for the locate of municipal infrastructure or utility infrastructure, can you give me the details on that?

**Mr. Larry Hebert:** I don't know all the various specific details, but I know we do one call to DigNORTH, and they're centred in Dryden. That call is made, and then appropriate follow-up is made with the various utilities whose plant is involved.

**The Chair (Mr. David Orazietti):** Thank you. Mr. Marchese, follow-up?

**Mr. Rosario Marchese:** Larry, it's Rosario Marchese, MPP for Trinity-Spadina.

**Mr. Larry Hebert:** Hello.

**Mr. Rosario Marchese:** Did I hear you correctly? You do have a One Call centre or a single point of contact for contractors and others?

**Mr. Larry Hebert:** Yes, right now in Thunder Bay, it's DigNORTH. In Fort Frances and one other community—

**Ms. Charla Robinson:** Red Rock.

**Mr. Larry Hebert:** —Red Rock, it's Ontario One Call. Most other communities don't have anything because they do it themselves or they don't have any infrastructure in the ground.

**Mr. Rosario Marchese:** No infrastructure at all, eh?

**Mr. Larry Hebert:** No.

**Mr. Rosario Marchese:** God bless. Sounds like a desert, for God's sake.

Can I ask you—

**The Chair (Mr. David Orazietti):** Easy.

**Mr. Rosario Marchese:** You say that each municipality will need to pay a \$1,000 fee. Where do you get that from?

**Mr. Larry Hebert:** That's our understanding of the legislation.

**Mr. Rosario Marchese:** That's what? I can't hear—

**Ms. Charla Robinson:** That's from Ontario One Call.

**Mr. Larry Hebert:** That's from Ontario One Call. They've written a letter to us suggesting that.

**Mr. Rosario Marchese:** Yes, because that's not clear to me. I'm not quite sure that that is indeed true.

**Ms. Charla Robinson:** That's the information that has been provided. As to the fee to join Ontario One Call, it's currently set at \$1,000. They do have some special offers that they're offering right now to incentivize municipalities to join; they may waive the fee. That's the list price to join the organization, as we understand it at this time.

**Ms. Sarah Campbell:** Sarah Campbell, MPP for Kenora-Rainy River.

You stated in your report that "NOMA is concerned that small communities may not have the capacity to provide this information without incurring significant additional costs to their municipality." Are you saying that some communities don't know where their infrastructure is?

**Mr. Larry Hebert:** Some of them don't necessarily have the maps themselves. They may be provided by a



private developer or a private contractor. They may hold them, because the city is so small, or the town or community is so small, that they don't have them themselves. As I said, in other cases—in your areas, there are communities that don't have any infrastructure in the ground. Therefore, they don't have anything to provide.

**Ms. Sarah Campbell:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Just a last point—it's David Oraziotti—there was a female voice that was answering one of the questions. Can someone just state their name for the purposes of our recording Hansard so we can get that information correct here?

**Mr. Larry Hebert:** I did introduce her in my opening remarks: Charla Robinson, who is the executive director of NOMA.

**The Chair (Mr. David Oraziotti):** Did you catch that? Okay, good.

Thank you very much for your time and your—

**Mr. Michael Coteau:** Chair, is there any time left?

**The Chair (Mr. David Oraziotti):** There is not.

**Mr. Michael Coteau:** We've run out? Okay, thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation today.

**Mr. Larry Hebert:** Thank you very much.

#### ASSOCIATION OF ONTARIO LAND SURVEYORS

**The Chair (Mr. David Oraziotti):** Our next presentation is from the Association of Ontario Land Surveyors. Good afternoon. Welcome to the Standing Committee on General Government.

**Mr. Peter Lamb:** Thank you very much.

**The Chair (Mr. David Oraziotti):** As you're aware, you've got 10 minutes for your presentation. If you can just start by stating your name, and start when you're ready.

**Mr. Peter Lamb:** Thank you, and I appreciate being invited here by the committee to speak on behalf of the Association of Ontario Land Surveyors. My name is Peter Lamb, and I've been an Ontario land surveyor since 1992.

I have 10 years' experience with a private surveying and mapping firm, working in both northern and southern Ontario, and I have supervised a wide variety of survey projects and do have management experience. Since 1999, I've been employed by the geomatics office of the Ministry of Transportation to provide advice and develop standards for legal and technical aspects of surveying.

I should add that for the purpose of this committee, I am here only representing the opinions of the AOLS, not necessarily my employer.

I've made a number of presentations on surveying in the utility industry to associations such as Good Roads, the ORCGA and the AOLS. I'm also a member of the CSA S250 committee that recently developed a national mapping standard for underground utilities.

Just a little bit about the AOLS to begin with: We were incorporated in 1892 to regulate the practice of professional surveying in Ontario by the Surveyors Act. This includes cadastral surveying, which is the surveying of real property boundaries. Surveys of land are valid only when performed under the supervision of a licensed Ontario land surveyor by the Surveys Act. Approximately six million parcels of land have been surveyed by licensed AOLS members, both past and present.

Currently, the AOLS is comprised of 600 members working in about 240 private firms. Many of these are small firms, with from three to seven employees, with a few over 30 employees. Surveyors are also employed by federal, provincial and municipal levels of government.

The value of surveys is about \$200 million, but they are the basis for several billion dollars' worth of infrastructure. About 100,000 new properties are created each year, and about 80,000 existing boundaries are retraced each year by Ontario land surveyors. Our clients include builders, architects, engineers, municipalities, lawyers, resource companies and road authorities, and various government ministries and agencies.

Why do surveyors need to obtain underground locates? Well, I should point out that all property lines and corners must be marked on the ground with permanent monuments so that boundaries are visible to land-owners. Ontario regulation 525/91, under the Surveyors Act, describes these monuments, and includes half-inch and one-inch square iron bars or stakes that are two feet and four feet long, respectively. Survey crews install such iron bars with sledgehammers. The bars have points at the bottom and are pounded into the ground to a depth of their full two-foot and four-foot length. Also, survey benchmarks, which contain elevations, may be set as deep as six feet.

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Searching for survey monuments at property corners may mean digging with a shovel or a pick to a depth of as much as one to three feet, and serious danger may result if a power or communications cable or gas line is punctured by a survey monument.

All the work of this monumentation may be considered "breaking ground," and regulations under provincial safety laws obligate surveyors to request utility locates to help ensure field work is performed safely.

The reason the AOLS supports Bill 8 is because obtaining locates in a timely fashion for a multitude of different locations for numerous field survey crews on a daily basis is a significant logistical burden. An unknown number of utility companies in an area must be tracked down and contacted and followed up with to arrange for field visits that must often be coordinated with survey crews. This work can add up to 10% to 20% of the cost of office supervisory work, which is passed to customers and can impede the progress of our survey field crews. The AOLS supports the simplification of locate acquisitions through a One Call phone number as offered by Bill 8. A single phone call could reduce the cost of arranging locates fourfold.



I just provided a rough estimate of possible savings per year by the survey industry by multiplying the approximate number of locates per day, 150, by an approximately \$50 savings per locate, times 300 days a year, to give a figure of over \$2 million in potential savings to customers and, through them, the public.

Now, Bill 8 may not be the be-all and end-all to address the concerns that surveyors have about utilities underground, but—and we have suggested some additional measures. At the end of my paper, we have additional suggestions that, for example, good utility surveys be performed when utilities are installed in the ground so that they can be recorded properly and stored for use by future locate companies and engineering designers.

Nonetheless, we feel that an accurate database of surveys of underground utilities, accessed through a shared One Call system, would go far in improving our operations and would improve safety to the public and our workers.

We support Bill 8 for One Call as a means to improve safety for our staff and for the public. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. We'll start with the Conservative caucus. Mr. Bailey?

**Mr. Robert Bailey:** Thank you very much for your presentation today. So the ability to do these locates, the One Call—you've talked about the ease of administration in the office, where you could make the one phone call when you're sending a crew out on the road. So this would typically add 5%, 10%, 15% to the cost of any of these jobs that you're doing for the general public?

**Mr. Peter Lamb:** Not to the overall cost of the job, but to the cost of the supervisory portion of the work, which might constitute 30% of the work or so.

**Mr. Robert Bailey:** Somebody else mentioned before—and I know this is not part of your purview, but I did want to get it on the record that there would be no people necessarily losing employment. I know this isn't really in your purview, but I did want to get it on the record that service providers—the former presenter put that as a question; I didn't have the opportunity to respond. But all Bill 8 calls for is the setting up of a call centre. I think that's your understanding as well. Now, who is going to provide that service to actually do the locates would be up to the local municipalities. It would also be up to the utilities. But the One Call centre would only provide the one call that the individual—like, Bob Bailey would make a phone call to One Call, and then it would be up to One Call to send those calls out. So if a municipality, for example, or a utility chose to use a certain provider that had been providing that service before, as long as they met those standards and those quality checkpoints, they would be allowed to do that. That's my understanding.

**Mr. Peter Lamb:** I don't think there's anything in the act to preclude that from possibility.

**Mr. Robert Bailey:** The other issue—do I have a couple more minutes?

**The Chair (Mr. David Oraziotti):** Briefly.

**Mr. Rosario Marchese:** Take my time, Bob. Go ahead.

**Mr. Robert Bailey:** Thank you very much.

There was talk about the fee. Maybe you can't speak specifically to this. There was a one-time fee, but I understand that One Call, to get this going and to encourage safety and membership, has waived that fee for municipalities. I know you work with a number of municipalities, so I would also like to get on the record that municipalities would have the fee waived, Mr. Chairperson, so it would encourage them to join up to do the mapping, and One Call would take any of this mapping, in any shape or form. It doesn't have to be to certain standards. They know that some municipalities, some providers, might not have the same expertise as others, and it's my understanding that One Call would take that mapping and they would take the time and the effort, because they feel this is so important to get it into the mapping database.

**Mr. Peter Lamb:** I guess something like that would have to be a regulation under the act. It would have to be laid out.

**Mr. Robert Bailey:** Also, I think One Call currently represents—I think the last numbers I've seen were between 130 and 140 members in Ontario, representing over 700 infrastructure agencies. I think 60% of Ontarians presently live in municipalities already under One Call purview. So we're talking about that other 40%. As significant as that is, I think it's important that we move towards that, and I know that we're going to have opportunities. If you've got any other input on that, I'd like to hear from you today. I think it's so important, and I'd like to hear you speak to that.

**Mr. Peter Lamb:** I don't think I really have the background sufficiently to answer that properly.

**Mr. Robert Bailey:** Okay, I'll just keep talking. The safety aspect of it: It's my understanding that almost \$40 million a year in damages have happened in Ontario because of near misses, strikes with either gas, utility, or telecommunications facilities. I think of a time that someone could be lying on a hospital gurney having surgery done by microsurgery—there could unfortunately be that incident where a telecommunications cable could be struck. That individual, for a few minutes—it could be longer than that—could be out of connection with a hospital somewhere. In this day and age, we have surgeons, maybe in Toronto, advising somebody back in Sarnia-Lambton or in the municipality of London and possibly one of our other ridings as well. This would alleviate that, whether it's a survey stake being driven into the ground or a backhoe doing an excavation on a pipeline.

**Mr. Peter Lamb:** I was speaking to someone from Waterloo hydro, and I understand, for critical infrastructure such as hospitals, they often have redundant systems in place, so it can be switched over in case one is damaged. I'm not sure if the telcos have the same system in place, but they might.



I know that there was an incident in Quebec a few years ago where a surveyor did strike a gas line. The gas was not released right away, but I believe some earth-grading equipment hit the bar later and gas seeped underground, and I believe at least one new house under construction was destroyed in that case.

**Mr. Robert Bailey:** Is my time up?

**The Chair (Mr. David Oraziotti):** Yes—your time and his time and the NDP caucus time and Ms. Campbell's time.

We're going to move on. Mr. Dickson, go ahead.

**Mr. Joe Dickson:** Just one question, Mr. Chair, if I may: I'd like to go back to where I was about three quarters of an hour ago, particularly to the reference of cost—

**The Chair (Mr. David Oraziotti):** Mr. Dickson, just in the microphone, if you could. Thank you. Perfect.

**Mr. Joe Dickson:** My wife says I talk too soft.

First of all, there's certainly real potential here in Bill 8. There's a cost saving. There's a safety factor—I want Tony, who was on much earlier, to get his digger, Alex, home safe and sound—and there's a better productivity scenario here.

I had some concern for the gentleman from northern Ontario, Larry Herbert, because that's something we have to find out and get an answer to. But we need to

find out and get some answers to the business side of this and the municipal or government side of this, because a lot of things aren't making sense. If municipalities aren't agreeing—AMO, which is the spokesperson for all municipalities in Ontario, has some concerns. In any business, like my business, if the entire cost of the product dropped—and it should, in this case—then you'd take that saving and pass it on to the end-user, the consumer, and they are the winners. We're the winners because in business we've got better productivity and a higher revenue from that.

To me, it's just a win-win situation, but we do need some of those answers. I realize that you're a professional, sir, and that may not be your particular forte, but somewhere down the road, if we can get those answers, it would be nice to have something positive go forward.

Thank you, Mr. Chair.

**The Chair (Mr. David Oraziotti):** Thank you very much. We appreciate your time today.

**Mr. Peter Lamb:** Thank you.

**The Chair (Mr. David Oraziotti):** Okay, folks. That's all the presentations for today. Thanks for your indulgence. I appreciate all of the presentations and the comments today. We will continue after constituency week. Committee is adjourned.

*The committee adjourned at 1751.*











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# Official Report of Debates (Hansard)

Monday 16 April 2012

# Journal des débats (Hansard)

Lundi 16 avril 2012

## Standing Committee on General Government

Attracting Investment  
and Creating Jobs Act, 2012

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENTCOMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Monday 16 April 2012

Lundi 16 avril 2012

*The committee met at 1407 in room 228.*ATTRACTING INVESTMENT  
AND CREATING JOBS ACT, 2012LOI DE 2012 VISANT  
À ATTIRER LES INVESTISSEMENTS  
ET À CRÉER DES EMPLOIS

Consideration of the following bill:

Bill 11, An Act respecting the continuation and establishment of development funds in order to promote regional economic development in eastern and south-western Ontario / Projet de loi 11, Loi concernant la prorogation et la création de fonds de développement pour promouvoir le développement économique régional dans l'Est et le Sud-Ouest de l'Ontario.

**The Chair (Mr. David Oraziotti):** Okay, folks, good afternoon. We'll get started. Welcome to the Standing Committee on General Government. We're here today to consider, clause-by-clause, Bill 11.

I don't know if there are any comments or questions before we get started; otherwise, I'll move to the first NDP motion and ask Mr. Marchese to read it.

Seeing none, let's go to the first section before you introduce your motion. There are no amendments to section 1. Seeing no amendments to section 1, all those in favour of section 1 carrying? Opposed? Section 1 is carried.

Section 2 of the bill: There are no proposed amendments to section 2. Shall section 2, as presented, carry? All in favour? Opposed? Carried.

Section 3, a new subsection: NDP motion. Go ahead, Mr. Marchese.

**Mr. Rosario Marchese:** I move that section 3 of the bill be amended by adding the following subsection:

"Industry clusters

"(3) The development of industry clusters is a priority for each program."

Just as a brief note, Mr. Chair, during the hearings we had heard from one presenter in particular who talked about including criteria that would give extra priority to clusters by way of funding, whether that be loans and/or grants, and I thought it was a good idea. This motion attempts to reflect the concern that was raised by one of the presenters, and I thought it was a good one, so I move it.

**The Chair (Mr. David Oraziotti):** Further comments? Ms. Cansfield.

**Mrs. Donna H. Cansfield:** We already have a cluster development that is currently listed in the programs in subsection 3(2), along with other purposes such as attracting and retaining investment and creating and retaining jobs. One of the effects of this—the KPMG study clearly identified how flexible this program really was and therefore how effective it really was, so we feel that would be restrictive when we've already addressed the issue of clustering by really constricting it even more. The idea here is to have a far more nimble, attractive fund that is open to a variety. It doesn't preclude the cluster, because it's already identified, as I said, in section 3(2).

This whole process is applicant-driven—so the applicants come in, and they do the review—as opposed to cluster-driven. We believe that's been very successful and the proof is in the third party analysis through the KPMG report. We therefore do not support this.

**Mr. Rosario Marchese:** Mr. Chair, I missed it. I see it in the bill, and I obviously missed it. So I'll withdraw my motion.

**The Chair (Mr. David Oraziotti):** Okay, thank you. If you want to proceed with the next motion, go ahead.

**Mr. Rosario Marchese:** I move that section 3 of the bill be amended by adding the following subsection:

"Announcements

"(4) If a public announcement is to be made about the provision of financial assistance or incentives within eastern Ontario or southwestern Ontario, as the case may be, the MPP who represents the affected area within the region must be given the opportunity to make the announcement."

I think what we're trying to do is correct some past errors where MPPs have been excluded. I think this motion would make it certain that the MPP will be there at the announcement, either making the announcement or being part of the announcement. I think this is important to us all, not just to government members but to opposition members as well.

**The Chair (Mr. David Oraziotti):** Thank you. Further comment on this motion?

**Mrs. Donna H. Cansfield:** Again, announcements are made by ministers, and there's nothing in this that precludes who can come to the announcement, to be honest with you. But it would restrict the ability of a Premier or a minister who has the responsibility for that portfolio to make the announcement. So I have no difficulty with the



second one: "If a public announcement is to be made about the provision of financial assistance ... the MPP who represents the affected area within the region must be given the opportunity to participate in the announcement." I think that's fair and reasonable.

So the first one, no. I think it's the responsibility of the government, the minister. Nothing precludes participation and encouragement. And secondly, I have no problem at all with any member who is a representative of an area being a participant in an announcement.

**Mr. Rosario Marchese:** Mr. Chair?

**The Chair (Mr. David Oraziotti):** Go ahead, Mr. Marchese.

**Mr. Rosario Marchese:** If you look at the motion, it simply says "as the case may be, the MPP who represents the affected area within the region must be given the opportunity to make the announcement." It doesn't preclude the minister being there at all. We assume that the minister would probably be there. What the language of this one says is that the MPP must be given the opportunity to make the announcement. So we would hope the minister would call the MPP and say, "Would you like to make the announcement?" or, "We can do it together." This makes it possible for that to happen.

**The Chair (Mr. David Oraziotti):** Thanks for your comments. Ms. Scott?

**Ms. Laurie Scott:** In the past, when the member was a minister, she was obviously very gracious and good when she came into different ridings that were held by opposition members, but I think that my NDP counterpart is just trying to make the point that there were some cases where members weren't notified, and even if they did go to the function, they weren't allowed to be on stage or make any comments. So I think I see the background that he's coming from on this. It's a minor amendment. It just puts it in writing, and I appreciate Mrs. Cansfield's comments. But sitting in opposition before, I think it's just that sometimes things kind of happen that aren't quite appropriate when ministers come to the ridings.

**The Chair (Mr. David Oraziotti):** Ms. Cansfield?

**Mrs. Donna H. Cansfield:** I appreciate that, and as I said, I have no difficulty. I think the idea of the second, where they're given the opportunity to participate in announcements—but putting in legislation that the MPP will make the announcement precludes the decision of the minister, and that's a protocol issue that would impact and affect all ministries. So I think that it needs to have some consideration here. I have absolutely no problem, as you know, encouraging the participation by a local member in an announcement. They should be—absolutely. But putting in legislation that they will make the announcement, regardless of who is in government, changes the whole protocol procedure within government, and I think that that has a challenge when you put in legislation.

That's why I say I'm very supportive of the second amendment, but I think the first amendment is a little bit of "be careful what you ask for."

**The Chair (Mr. David Oraziotti):** Further comment? Ms. Scott.

**Ms. Laurie Scott:** Is there clarification that can be made, then, if it's out of order the way this is, as Ms. Cansfield has said?

**The Chair (Mr. David Oraziotti):** Well, as far as my understanding is, the motion is not out of order.

**Mr. Rosario Marchese:** You guys will have to speak up. My right ear is not good.

**The Chair (Mr. David Oraziotti):** My understanding is, the motion is in order. It's certainly fair comment. You've heard the comments from members of the committee, so it's a matter of—yes, Ms. Cansfield, go ahead.

**Mrs. Donna H. Cansfield:** If I may, I apologize. I didn't mean to suggest that it's not in order. What I'm suggesting is that this is a protocol, and it would probably be better established by protocol than by legislation that demands that the member make the announcement, when—participation is something else, but the member must make the announcement is what the first one says.

**Mr. Rosario Marchese:** If I can, Ms. Cansfield, it says "within the region must be given the opportunity to make the announcement." It doesn't say that they will be the one making the announcement. I know it's nuanced; I understand that. But I really do believe that the minister should be there for the announcement. This motion assumes that he or she will be there. The way it's worded, we want to make sure that the MPP is given the opportunity to make the announcement. So that's something that can be worked out. If nothing else, the MPP will be there and be part of the announcement and will make the announcement with the minister. This will make sure that happens.

**Mrs. Donna H. Cansfield:** If I may, I agree. I understand the concern, and, actually, your points are well taken. If there are situations where someone has not been notified when someone is coming in to make an announcement, that's a broader issue. That's a protocol issue, and so there should be some protocol guidelines established that say that when you go in, you should be able to call that member, let them know—regardless. And that's what the second actually identifies. But whether it's a nuance or not, it's "given the opportunity to make the announcement." I just think that's a protocol issue for a minister and not for legislation.

**Mr. Rosario Marchese:** It's a back and forth, and I really appreciate this, because in the Trillium funds it's the MPP who makes the announcement. It really works well because it makes it appear that the MPP has a great role, even though he or she may not have that much of a role. But I do believe that the MPP should have a bigger role in making announcements—with the minister. It does give us a better role—and it doesn't matter who's in government. So whatever future government is there, they will have to deal with this kind of precedent, I hope.

**The Chair (Mr. David Oraziotti):** Clearly, you've got two points here: one, where you suggest that the MPP—

**Mr. Rosario Marchese:** I understand.

**The Chair (Mr. David Oraziotti):**—the MPP in the region makes the announcement and sort of usurps the



right of the minister to make the announcement within their designated area of responsibility, because you're saying that the MPP in the area will make the announcement. Now, clearly, there are politics involved here. This is something where every government that has been in government, every party that has been in government here at Queen's Park, has operated under this particular protocol, where the minister of the day, in whatever party was in government, decided whether or not they made that announcement. And you have the other motion here that indicates that they're given the opportunity to participate in the announcement. That, I don't think, has been as—you know, there are examples, and we're aware of examples, where that has perhaps not been as extended as it could have been or should have been. But I think there's a very clear difference between the two motions—

**Mr. Rosario Marchese:** There is, Mr. Chair. You're quite right.

**The Chair (Mr. David Oraziotti):**—just to point that out: one, that the individual—and I don't know that at any time that any government party had—

**Mr. Rosario Marchese:** Mr. Chair, if I can, remember, you're the Chair. Remember, you're the Chair.

**The Chair (Mr. David Oraziotti):** I understand that.

**Mr. Rosario Marchese:** You should not be engaging in this kind of debate.

**The Chair (Mr. David Oraziotti):** I'm not suggesting what way members on this committee should vote—only to point out that I don't believe, at any time when any party was in government, that the opposition MPPs or other MPP of the riding made the announcement when the NDP was in government or when the Conservatives were in government or when the Liberals were in government.

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So it's past tradition, and your motion clearly would change that, although the second motion that you've put forward clearly makes the point around participation, which is for members of the committee to decide.

**Mr. Rosario Marchese:** I understand. Remember, Mr. Chair, you're the Chair. I don't mind you participating every now and then, and I heard the argument from Ms. Cansfield, but this is a bit stronger. It doesn't say that the member "will." It allows for the minister to go to the MPP and say, "Would you like to make the announcement?" That's what it does. In the end, he or she may decide that they will both make it or that the other MPP will be there and participate in some way, but the minister still obviously retains the big role in this. It's implicit. It doesn't exclude him or her.

**The Chair (Mr. David Oraziotti):** Further comment?

**Mrs. Donna H. Cansfield:** Again, it's the way you interpret and it's the wordsmithing. I'm sorry. "Must be given" is a very strong term. "Must be given the opportunity to make the announcement" is quite different from "if the minister decides" whatever, whatever.

**Mr. Rosario Marchese:** I understand.

**Mrs. Donna H. Cansfield:** So it's very clear. As I said, one is based on a protocol and I think there's a

broader issue. I have no difficulty in the government supporting the second. It makes good sense, and probably there should be a whole process established, but certainly on the first one you're changing the entire framework under which governments have worked in the past by usurping the authority of the minister to make the announcement, or a Premier, for that matter, because you're indicating that they must be given the opportunity, and "must" is a very strong word.

**The Chair (Mr. David Oraziotti):** Any further comment?

**Mr. Michael Coteau:** Mr. Chair, I'd like to just echo my colleague's point. The language here forces only one direction, and that's for the local MPP within that region to be given—they "must be given"—that opportunity to make the announcement. I would agree that the wording is a bit restrictive and I think perhaps the member could consider something just to loosen it up a bit.

**The Chair (Mr. David Oraziotti):** Mr. Marchese, further comment?

**Mr. Rosario Marchese:** This is to show how conciliatory we can be and how we can co-operate, you see, with all the other parties.

**The Chair (Mr. David Oraziotti):** I have faith in you.

**Mr. Rosario Marchese:** I'm happy to hear that.

**The Chair (Mr. David Oraziotti):** Maybe.

**Mr. Rosario Marchese:** I'm going to withdraw (2) and introduce the next one for the record.

**The Chair (Mr. David Oraziotti):** Very good. Go ahead.

**Mr. Rosario Marchese:** I move that subsection 3 of the bill be amended by adding the following subsection:

"Announcements

(4) If a public announcement is to be made about the provision of financial assistance or incentives within eastern Ontario or southwestern Ontario, as the case may be, the MPP who represents the affected area within the region must be given the opportunity to participate in the announcement."

For all the arguments we have made.

**The Chair (Mr. David Oraziotti):** Okay. Further comment?

**Mrs. Donna H. Cansfield:** If I may, I like this, and I think there has been an issue that's been raised where it has not been consistent around the province—

**Mr. Rosario Marchese:** It never is.

**Mrs. Donna H. Cansfield:** I agree with you: That needs to be addressed. I think there's a chance here for an additional conversation on how this can be accomplished, so thank you very much.

**The Chair (Mr. David Oraziotti):** Is that your support for the resolution?

**Mr. Rosario Marchese:** She's supporting it.

**Mrs. Donna H. Cansfield:** Yes.

**The Chair (Mr. David Oraziotti):** Go ahead. Further comment?

**Mr. Rosario Marchese:** All in favour.

**The Chair (Mr. David Oraziotti):** Okay. Any further comment?



**Mr. Michael Coteau:** Just one quick little point. I'm assuming that in some cases—

**Mr. Rosario Marchese:** Can you speak in the mike, please?

**The Chair (Mr. David Oraziotti):** Mr. Coteau, can you come a little closer to the mike?

**Mr. Michael Coteau:** I'm assuming that in some cases there's more than one MPP that would be affected by a specific fund; correct?

**Mr. Rosario Marchese:** It could be, but this would make it possible that in the event that there are two MPPs that have some connection to the issues, I'm assuming the ministry would take care of that, based on this motion.

**Mr. Michael Coteau:** So the MPPs who represent the affected areas—that's fine. I think I'm being a little too technical maybe.

**Mr. Rosario Marchese:** But we could, if we wanted to, say "MPP or MPPs."

**Mr. Michael Coteau:** No, that's fine.

**Mr. Rosario Marchese:** Okay.

*Interjection.*

**Mr. Rosario Marchese:** Yeah, that's okay.

**The Chair (Mr. David Oraziotti):** Okay. All those in favour? Opposed? The motion is carried.

Mr. Marchese, do you want to continue—

**Mr. Rosario Marchese:** Yes, yes.

**The Chair (Mr. David Oraziotti):** —or are we into section 4?

**Mr. Rosario Marchese:** Yes, yes.

**The Chair (Mr. David Oraziotti):** Before we go to the other section here, 3.1, shall section 3, as amended, carry? All in favour? Opposed? That's carried.

Section 3.1: Go ahead, Mr. Marchese.

**Mr. Rosario Marchese:** I move that the bill be amended by adding the following section:

"Administration of programs

"Corporations established

"3.1(1) The following corporations are established for the purpose of administering the programs:

"1. A corporation without share capital to be known in English as the Eastern Ontario Development Fund Corporation and in French as Société de gestion du fonds de développement de l'Est de l'Ontario.

"2. A corporation without share capital to be known in English as the Southwestern Ontario Development Fund Corporation and in French as Société de gestion du fonds de développement du Sud-Ouest de l'Ontario.

"Composition

"(2) Each corporation is composed of the members of its board of directors, and its board of directors is composed of the following persons:

"1. The minister, who is the chair of the board of directors.

"2. At least 11 other persons to be appointed by the Lieutenant Governor in Council for a specified term.

"Residency requirement

"(3) The members of the board of directors, other than the minister, must be ordinarily resident in eastern Ontario or southwestern Ontario, as the case may be.

"Powers

"(4) Each corporation has the capacity, rights, powers and privileges of a natural person for carrying out its objects, except as limited under this or any other act.

"Financial authority

"(5) Each corporation is authorized to determine who receives financial assistance and other incentives under the program, and in what amounts, and may provide financial assistance by way of grant or loan.

"Local advisory committee

"(6) The board of directors shall establish a local advisory committee and appoint its members. The composition of the committee must reflect sectoral and sub-regional interests within eastern Ontario or southwestern Ontario, as the case may be.

"Annual report

"(7) Within 90 days after the end of every fiscal year, each corporation shall give the minister an annual report on its affairs during the fiscal year, and the report must include the audited financial statements of the corporation.

"Same

"(8) The minister shall lay the report before the assembly at the earliest reasonable opportunity."

Mr. Chair, I know we were trying to work out something that might be agreeable to both of us, but it just didn't work out. We are insistent on the idea of having an independent board, and it's modelled after the northern Ontario heritage fund. We understand that the northern heritage fund deals with more money than this one, but I think the principle is the same. I really do believe that this independence, if nothing else, at least in terms of political perception, is a model that is appealing to many of us. I think this was an important part of our debate on this, and I wanted to put it forth in this way. I know that the other motion might have gotten to what we want within a year, possibly, but we weren't quite sure. This does it.

**The Chair (Mr. David Oraziotti):** Thanks for your comments.

Further comment on this motion? Ms. Cansfield.

**Mrs. Donna H. Cansfield:** We have an existing process that's in place that has been third party-reviewed by KPMG that has identified that, in fact, this fund is working and working very well and has been quite successful. The idea of modelling it on a \$100-million fund similar to the northern heritage, when this is a \$20-million fund, speaks to me yet again of another agency and another set of bureaucracies, and that is going to take money away from the fund because there are not separate dollars set aside. The idea here is to put the money into the programs as quickly as possible. They're applicant-driven.

The idea here, as well, is to ensure that it's the smaller—if you especially look at the eastern, I'm more familiar with the eastern development fund because I've spent some time in eastern Ontario, but the needs there and the needs in the southwest will be different. The needs there are for the smaller companies, companies that



are not going to establish 10 right away but maybe five and start up with three. It doesn't need the bureaucracy. There is a group of six people already identified in Kingston that has been working and working very well within the community, and successfully, to get these projects up and going. The biggest barrier has been the required amount for start-up, which has been reduced, and also the number of jobs that would be created.

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So for me it seems to be inappropriate at this time, when we know we have something that's working, to start something up that's going to take at least six, seven, eight months to incorporate some incorporations, to do these advisory committees. The whole idea is to get the money out the door and get it into the communities and get these jobs up and going as quickly as possible. We have a mechanism that's put in place that is working. I guess I don't understand why we would want to create two more agencies when actually our government agenda is to reduce the number of agencies and to reduce the bureaucracy as much as possible and get the money out to the individuals.

We did say, if you look at the government motion, that we would put a review in place; it addresses the issue of the review. If we find there are failings, then we can address them through the review, but in fact it would take us months to get this up and going if we had to put boards together. So we're not supportive of this particular approach. We think that we have something that's working, working well and effectively. We would like to continue with that model and get the money to the individuals so they can start up their companies sooner rather than later.

**The Chair (Mr. David Oraziotti):** Further comment on the motion?

**Mr. Rosario Marchese:** I don't think that when we're talking about the northern Ontario heritage fund, we speak of it as a heavy bureaucracy. I'm assuming you speak of it well and that you think it works well.

**Mrs. Donna H. Cansfield:** It still has a major bureaucracy behind it.

**Mr. Rosario Marchese:** And if you thought it was a major bureaucracy, you would probably change the northern Ontario act on the basis of the argument that you just made on this one. So if it is working there, one would assume that it would work here.

The numbers are different, I agree. If it's the number of people that we're talking about in terms of the appointments on the council, I think 11 might be too many. I'm not sure that's one of your concerns. But I would be happy to reduce that number. Instead of 11, we could have six. I'm not quite sure whether the other members want to speak to that. But if that's a way of reducing it so that we could get to it faster, I would be happy to look at that number, because I think it makes sense—it's a smaller fund—if that helps.

But in my mind the independence of this board, modelled on the other, is critical. I understand what you're saying. I don't want to create a bureaucracy that simply would take longer to approve things. That's not

the intent at all. I am not thinking that this independent board somehow would be a layer of blockage to getting the money out. That's not the idea. I think it's working well in the north, and I think this can work in very much the same way. You would have the same bureaucracy making decisions; it's the same staff that make the decisions. Whether it's modelled in the way that you want or modelled in this way, you still have staff doing whatever they would be doing under either model, except they would be seen to be independent of the minister, which is something that I think is important. I think some of you probably might agree with that.

But if you believe that reducing that number might be helpful with the case that you're making, I'd be very happy to make an amendment.

**Mrs. Donna H. Cansfield:** Well, in fairness—through you, Mr. Chair, to Mr. Marchese—if the idea here is that you have to have some structure in place that provides you some oversight, you could have gone to an order in council, which is far more effective and less bureaucratic than opening up two corporate entities. Corporate entities have a whole rigour and structure around them that are quite different from an order-in-council process, which, if what you wanted was oversight, would provide the oversight with less of the bureaucracy in place. Yes, the number 11 is an onerous number; significantly reducing it to seven would make some sense. If you're looking at an order in council, that might make some sense, as opposed to corporate entities that are created. Then maybe some consideration—

**Mr. Rosario Marchese:** I don't mind—could I make that amendment on number 2, in terms of the number, if the Conservatives think it's a reasonable amendment to make? We could say at least six—

**Ms. Laurie Scott:** Six or seven.

**Mr. Rosario Marchese:** —or seven, whatever Ms. Cansfield thinks is a reasonable number based on your experience as a minister in this area.

**Mrs. Donna H. Cansfield:** I would think six or seven would be fine. It would be six, and seven would be the chair, I guess. Or it could be six and five. It could be either way. I just want something, in fairness, that works, that isn't going to be a cumbersome process to put in place.

**The Chair (Mr. David Oraziotti):** Okay. Ms. Scott, go ahead.

**Ms. Laurie Scott:** It's kind of a comment in general. I don't know if you're willing to amend the motion, but federally they use the CFDCs, the Community Futures Development Corporations. That works quite effectively, in that in the case of the eastern Ontario federal fund, whatever the technical name is, the money is transferred to the CFDCs, the Community Futures Development Corporations, and that's composed of a local board of directors, because people are closer to the ground—business initiatives, whatever. I just wanted to put on the record that that actually works quite well. It's a big stretch from what you have here, but I just want to put on the record that although they're a federal body, the Community Futures Development Corporations' whole



intent is that they're more local and get money transferred to them, and they make the decisions locally. I just wanted to put that on the record. I'm fine with the change to the seven or six—whatever we decide.

You mentioned the northern heritage fund. I just wanted to mention that this is very well done, well researched and all very local and doesn't cost a great deal of money or have a big bureaucracy.

**Mrs. Donna H. Cansfield:** Mr. Chair, if I may, I wonder if I could call for a five- or 10-minute recess. I would like to consider looking at it through the eyes of an OIC and proposing an amendment.

**The Chair (Mr. David Oraziotti):** You want a 10-minute recess?

**Mrs. Donna H. Cansfield:** Ten minutes.

**The Chair (Mr. David Oraziotti):** Okay folks, a 10-minute recess.

*The committee recessed from 1437 to 1451.*

**The Chair (Mr. David Oraziotti):** Okay, folks, given the time, I think we should just wait until the vote is done. Let's just suspend the clause-by-clause until we can—

**Mr. Rosario Marchese:** So, Mr. Chair, next time it won't be a five-minute pause; it'll be a longer pause?

**The Chair (Mr. David Oraziotti):** Perhaps.

**Mr. Rosario Marchese:** But if we say five minutes, we have to bring people back next time.

**The Chair (Mr. David Oraziotti):** As soon as the vote is over, within a couple of minutes please come back to the committee, okay? Thank you.

*The committee recessed from 1451 to 1501.*

**The Chair (Mr. David Oraziotti):** Let's continue discussion of clause-by-clause. Go ahead.

**Mr. Rosario Marchese:** I just want to make an amendment on my own motion with respect to "Composition", paragraph 2, that "at least seven other persons be appointed by the Lieutenant Governor in council for a specified term."

**The Chair (Mr. David Oraziotti):** Okay. Further comment?

**Mr. Rosario Marchese:** No, we already made many arguments.

**The Chair (Mr. David Oraziotti):** Mrs. Cansfield?

**Mrs. Donna H. Cansfield:** No comment.

**The Chair (Mr. David Oraziotti):** First we're going to vote on the amended motion.

**Mr. Rosario Marchese:** If you want to vote on it now or at the end—

**Mrs. Donna H. Cansfield:** You want to do them all?

**Mr. Rosario Marchese:** You could do it at the end with the amendment, obviously. Or do it now, Mr. Chair. Your call.

**The Chair (Mr. David Oraziotti):** I was just going to ask for consensus on the amendment to your motion.

**Mr. Rosario Marchese:** Sure.

**The Chair (Mr. David Oraziotti):** All in favour that the motion be amended to include seven members on the committee? All in favour? Opposed? The motion is carried and the motion is amended.

Any further discussion on the motion? Seeing none, all in favour?

**Mrs. Donna H. Cansfield:** Sorry, we've submitted a new amendment.

**The Chair (Mr. David Oraziotti):** Excuse me one second.

**Mr. Rosario Marchese:** You can share with the whole committee, if you like.

**The Chair (Mr. David Oraziotti):** Legal counsel has informed me that the government side has requested an amendment to the motion separate and independent from the seven you've—

**Mr. Rosario Marchese:** What we just passed.

**The Chair (Mr. David Oraziotti):** Correct. So the main motion hasn't passed, but we've amended it to reflect seven on the committee.

**Mr. Rosario Marchese:** Right.

**The Chair (Mr. David Oraziotti):** Legislative counsel would like a few minutes to be able to draft the motion for the government side and introduce the motion, the amendment to this, so that it could be discussed in context with this motion. They're asking for a recess, is that my understanding?

**Mr. Rosario Marchese:** I'm sorry. We just passed the motion with my amendment.

**Ms. Laura Hopkins:** Yes.

**Mr. Rosario Marchese:** So do I understand—

**The Chair (Mr. David Oraziotti):** We just passed the amendment. We didn't pass the motion.

**Mr. Rosario Marchese:** The amendment, and it passed.

**The Chair (Mr. David Oraziotti):** Right.

**Mr. Rosario Marchese:** So now we are—

**The Chair (Mr. David Oraziotti):**—debating your motion.

**Mr. Rosario Marchese:** You said, "Is there any further discussion on the motion?" and there was none.

**Mrs. Donna H. Cansfield:** No, I did say that there was an amendment—

**Mr. Rosario Marchese:** So you have an amendment, and you need to review the amendment that the Liberals are proposing?

**Ms. Laura Hopkins:** I need a little more time to finish drafting it.

**Mr. Rosario Marchese:** I see. Okay. And that would take you how long?

**Ms. Laura Hopkins:** Guessing? Maybe 10 minutes.

**Mr. Rosario Marchese:** I see. Okay.

**The Chair (Mr. David Oraziotti):** Okay. To avoid what happened previously, we'll come back after the next vote and deal with the amendment to this motion that's proposed. Okay?

**Mr. Rosario Marchese:** It just means that, okay, it's another 20 minutes. But if it doesn't take more than 10, I prefer that we just do this. Otherwise, we're going to stay here the whole afternoon just dealing with these little things. If you just need 10 minutes, we'd come back in 10.

**Mrs. Donna H. Cansfield:** Well, it may take 12; who knows?



**Ms. Laura Hopkins:** I'm not confident that I can get it done in 10 minutes.

**The Chair (Mr. David Oraziotti):** Plus the clerk needs to make copies of it so that everybody can have a copy of it in front of them.

**Mr. Rosario Marchese:** Very good, thank you.

**The Chair (Mr. David Oraziotti):** I appreciate it. Thank you.

*The committee recessed from 1508 to 1539.*

**The Chair (Mr. David Oraziotti):** Okay, folks, let's call the committee back to order. We have the proposed amendment; I think all members of the committee have it now or just received it. So I'll ask Ms. Cansfield to go through it.

**Mrs. Donna H. Cansfield:** Thank you very much, Chair.

I move that amendment number 4, as amended, be further amended to read as follows—motion showing proposed amendments.

I move that the bill be amended by adding the following section:

"Committees established

"3.1(1) The following committees are established for the purpose of reviewing applications to the programs and making recommendations.

"1. A committee to be known in English as the Eastern Ontario Development Fund Review Committee.

"2. A committee to be known in English as the South-western Ontario Development Fund Review Committee.

1540

"Composition

"(2) Each committee is composed of seven members to be appointed by the Lieutenant Governor in Council for a specified term.

"Criteria and guidelines

"(3) Each committee shall consider the criteria and guidelines for the program when reviewing applications and making recommendations.

"Financial authority

"(4) Each committee is authorized to recommend who receives financial assistance and other incentives under the program, and in what amounts, and whether to provide the financial assistance by way of a grant or loan."

**The Chair (Mr. David Oraziotti):** Further comment? Do you want to elaborate, perhaps, a bit on the rationale for the motion?

**Mrs. Donna H. Cansfield:** The idea here, Mr. Chair, is to be able to establish by order in council as opposed to creating separate agencies—which is something I believe that all of us would like to see fewer of in government—where it still deals with the accountability process; that, in fact, it provides for the oversight. We also have put a government motion, if you look further along, which speaks to the accountability, and it's quite rigorous in its motion around transparency and accountability.

The idea here is that we have proposed an amendment that is friendly, provides for an order in council for seven people in both funds, but at the same time does not create

additional corporate entities that would take a significant amount of time, effort and resources to put in place.

**The Chair (Mr. David Oraziotti):** Mr. Marchese.

**Mr. Rosario Marchese:** I think it should be ruled out of order. If you notice, most of the elements of my previous motion are deleted, and it's quite inconsistent with what it is that I was trying to propose. This works well for the north; I think it will work well regionally for the east and the west—my motion, not this one. I don't think this comes close to meeting what we've been talking about.

If the minister and ministry are eager to get it up and running, they can do it quickly or they can simply delay it and hold it off forever. I think that the corporation can be set up quickly. I'm eager for them to do that. The minister and the government, I think, are eager to do it. I think they should just proceed and get it done.

I'm opposed to this proposed amendment that radically massacres mine.

**The Chair (Mr. David Oraziotti):** Okay. I think that's fairly clear.

Any other comments? Ms. Scott.

**Ms. Laurie Scott:** I guess because I don't know the northern heritage fund that well, when the ministers made all these changes, which my NDP counterpart has certainly pointed out changes a great degree of the bill, in your thoughts, Donna, do you think that this is going to streamline this and be less costly than the northern heritage? This is because I don't really know how that northern heritage fund works, exactly. Can you give a little comment of the drastic change that has occurred?

**Mrs. Donna H. Cansfield:** The northern Ontario development fund is a \$100-million fund. It has a certain amount of rigour that has been put behind it. It doesn't mean that one day it may, itself, not be reviewed. What we're talking about here is something that is up and working in eastern Ontario. It has been third party-validated by the KPMG report that, in essence, says, "You've got something that really is working; don't change it," if you read the report.

So what we're proposing is really a compromise. By putting in an order in council, by putting up the review committees, by putting that structure in place, we can give it some more rigor without going into the heavy burden of a government agency, which is what a corporation would be. We already have the office established in Kingston. It has six people that man it. I think you get the best of both worlds. We have something that works. We want it to get out the door as quickly as possible.

I'm sorry; I think that corporations do take a significant amount of time if you do due diligence in government. It would be longer before we'd be able to get the money out to either region, and both regions could desperately use the opportunity to develop jobs and funds. I think this is a compromise between the two. You've got an order in council. You've got seven people. You've got folks that'll come from the area. You've got someone who's established. I don't think you need an advisory committee on top of an order in council, which would be made up from folks from the area. The com-



mittee has a significant amount of opportunity to review the applications programs and make the recommendations in terms of what they see.

Then, as I said, if you go to the government motion at the end, it puts the rigour around the transparency and accountability. It's got far more rigour in it, actually. It says, "If this isn't working after a year, we can evaluate and we can change it."

I'm just suggesting to you that we have something that works and has been working really well. We found a compromise with an order in council. Seven people are far more reasonable, obviously, than 11. We've all been there where too many people on a committee makes things difficult.

I'd like to get this out the door, obviously, as soon as possible. We're saying that we've found a compromise. I don't think we've massacred anything. There's no question that the same amendment will have to be done in appropriate French language, which we didn't have the chance to do.

We've actually said that the composition of the committee is seven. We just took out the minister from being on it and made it an order in council, which I think gives it far more.

The residency requirement isn't necessary, but you're going to choose from that area in all probability anyway because you're going to have people whose expertise you want. That comes before us anyway, right? To me, this is a nice compromise.

Each committee can establish the criteria and guidelines for the program when reviewing applications and making recommendations. So that deals with the whole cluster issue. It deals with being an application proponent; it's more the application itself as opposed to developing the cluster. I think it actually is a good compromise to what was being proposed and it services everyone.

**The Chair (Mr. David Orazietti):** Go ahead.

**Ms. Laurie Scott:** My friend in the NDP, though, feels strongly that it should be to his original amendment with just the number change from 11 to seven.

**Mr. Rosario Marchese:** We already did that.

**Ms. Laurie Scott:** Yeah, that's what I mean. I just was trying to get the rationale of the two.

**The Chair (Mr. David Orazietti):** Any further comment on the proposed amendment? Seeing none, we're voting on the amendment first and then we're voting on the main motion. All those in favour of the government amendment? All those in favour? All those opposed? Okay, the motion is lost.

Back to the main motion that was amended to reflect, under item 2, "at least seven other persons to be appointed by the Lieutenant Governor...": I think that's the only clarification and the only change. The main motion: Unless there's any further comment, I'll call for a vote. Seeing none, all those in favour of the NDP motion, as amended? All those opposed? The motion is carried.

Next motion? Mr. Marchese.

**Mr. Rosario Marchese:** I move that the bill be amended by adding the following section:

"Accountability mechanisms

"3.2(1) The minister shall ensure that guidelines for each program are available to the public, setting out the performance standards to be satisfied by participants in the program with respect to the creation of jobs and other economic development targets.

"Agreement

"(2) Before receiving financial assistance or incentives under a program, a person or entity must enter into an agreement with the minister that includes the details of the performance standards to be met and other accountability measures that apply with respect to the funding.

"Clawback

"(3) The agreement must provide for the repayment to the applicable fund of the financial assistance or the amount of the incentive if the performance standards are not satisfied.

"Public inspection

"(4) Each agreement between the minister and a person or entity receiving financial assistance or incentives under a program must be available for inspection by the public. However, commercially sensitive information in an agreement may be redacted from the version made available to the public."

Mr. Chair, I think it's all self-evident.

**The Chair (Mr. David Orazietti):** Okay. Thank you very much for your comments. Ms. Cansfield?

**Mrs. Donna H. Cansfield:** I'd like to speak to some of these as well. In the accountability mechanisms, actually the eastern Ontario development fund program criteria thresholds as well as performance measures are published online and are available to the public, so the amendment is actually not required as all government documents and applications are available to the public.

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In terms of the agreement, currently under the eastern Ontario development fund both parties enter into a conditional grant agreement that includes the schedules, the milestones and the accountability measurements, so really the act should speak to the program requirements, not to the contents of an agreement created pursuant to the programs. Right?

So when you think about this, you really need—I'll repeat that. The act should speak to the program requirements, not to the contents of an agreement that's created pursuant to the program being created. So these requirements are contained in all administrative directives such as the transfer payment accountability directive.

In terms of the clawback, this is congruent with current conditional grant agreements used in the eastern Ontario development fund for the repayment of the application fund if milestones and deliverables of both investments and job targets are not achieved. Clawbacks are exercised as well in the event of defaults like closures and bankruptcies etc., and the level of the clawback is based on a formula that includes several factors for jobs and investment commitments that range from full to partial repayment.



On the issue of public inspection, an individual agreement specific to a company would not be available, as it infringes on competitive issues and privacy concerns, and I suspect that that would become a significant legal issue, so that when you have a contractual obligation, making those contractual obligations in that kind of specific detail public is not something that's available. This amendment could actually jeopardize business application uptake because often confidentiality in business is really critical. It's an issue with the existing eastern Ontario development fund as it is and we must, and always have, respected confidentiality and privacy.

Under FIPPA, the public already has a general right of access to the agreement subject to specific statutory exemptions, and if a requester is concerned about the ministry access decisions, the request can actually go to the Information and Privacy Commissioner to review the minister's concerns. So we feel that these things are all in place now, with the exception of what I've identified as very significant challenges to what's being intended in this amendment.

**The Chair (Mr. David Oraziotti):** Thank you. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Just quickly, if the member feels that much of it is already in place, then this is consistent with what you're doing, so having it in writing simply repeats or emphasizes what you say we are already doing. So presumably you have no reason to disagree with leaving it there.

With respect to one of the points you make about sensitivities, it is for that reason that under public inspection we say, "commercially sensitive information in an agreement may be redacted from the version made available to the public." That's in response to some sensitivities and we understand that, so I think we cover your concern in that regard.

**The Chair (Mr. David Oraziotti):** Further comment?

**Mrs. Donna H. Cansfield:** Thank you. I think I made a couple of comments, though, that actually speak to things that are also existing, obviously, but also, in terms of the agreement you've put in, I'm quite clear that the act should speak to the program requirements and not to the contents of agreements before you create the program. You're kind of telling everybody what to do before you create the program, so it doesn't, to me, make any sense.

There are some things, obviously, that we are doing that are already in there and I agree, and there are others that raise considerable concerns for us, for both of them.

**The Chair (Mr. David Oraziotti):** Any further comment, folks? Okay.

**Mr. Rosario Marchese:** She's making an argument and what I am reading on the record, to me, is quite clear and makes sense. I understand she's presenting an argument, but what we say is "Before receiving financial assistance or incentives under a program, a person or entity must enter into an agreement with the minister that includes the details of the performance standards to be met and other accountability measures that apply with respect to the funding."

I just don't see what the problem is. For me, it's quite clear. I understand that she made an argument, but I don't agree with her.

**The Chair (Mr. David Oraziotti):** Any further comment?

**Mrs. Donna H. Cansfield:** I think we have a difference of opinion.

**Mr. Rosario Marchese:** I think so.

**Mrs. Donna H. Cansfield:** I believe that you should speak to the program requirements and not to the content, as I said, of the agreements created pursuant to the program requirements. That's just the way we could—

**Mr. Rosario Marchese:** I'm ready to go.

**The Chair (Mr. David Oraziotti):** We may hear more in a minute.

**Mr. Rosario Marchese:** Sorry?

**The Chair (Mr. David Oraziotti):** We may hear more in a minute and then we'll get to the vote.

**Mr. Rosario Marchese:** She's consulting.

**Mrs. Donna H. Cansfield:** Actually, Daniel was just saying there's an issue around—again, a problem or a potential problem around the opportunity for flexibility. So if in fact there was a program and you had predetermined the criteria, you'd have to claw back, whereas you don't have the flexibility, and that's what he was suggesting.

Again, we're just saying, if you go to the first—it's not necessary. You don't need to put in an amendment for something that's already there, so why put an amendment through?

Then secondly, we disagree on the issue around the agreement, and I think that's a critical one. When you get to the public inspection, again, it's the issue around specific to a company. You identified each of those. You said, "However, commercially sensitive information in an agreement may be redacted...." Who makes that determination?

We're just saying that it doesn't have to be as complicated, I think, as you're making it. We want this fund to be flexible and creative, the way it has been, so that it can move forward and do the work it's determined to do. We, as I said, had a third party analysis done by KPMG that virtually said, "Don't change the way the fund is working. It's working well." So by putting more, you're making it more difficult for the fund to be as flexible as it needs to be to be able to create the jobs in eastern or western Ontario.

**Mr. Rosario Marchese:** I don't think so.

**The Chair (Mr. David Oraziotti):** Okay. NDP motion number 5: All those in favour? All those opposed? The motion is carried.

The next motion—actually, give me one second. All right, folks: government motion number 6. Ms. Cansfield, go ahead.

**Mrs. Donna H. Cansfield:** Thank you, Mr. Chair.

"Initial review of programs

"3.1(1) The minister shall conduct a review of the programs one year after the date on which section 2 comes into force.

"Same



"(2) The review must consider the following matters and such other matters as the minister considers appropriate:

"1. The geographic areas within which each program operates and whether to revise them.

"2. The types of financial assistance and incentives that have been provided under each program, their effectiveness and options for other types of financial assistance and incentives.

"3. The accountability measures in effect under each program, their effectiveness and options for strengthening them.

"4. The governance and administration of each program and options for other service delivery arrangements, such as the arrangements established under the Northern Ontario Heritage Fund Act in connection with the Northern Ontario Heritage Fund."

This amendment refers to a one-year review to give a very serious consideration of specifically the geographical area, the financial assistance and incentives, accountability measures, and administration of each of the programs. The idea here is to make sure that we've established appropriate effectiveness and efficiencies in the programs.

**The Chair (Mr. David Oraziotti):** Okay, thank you. Further comment? Go ahead, Mr. Yurek.

**Mr. Jeff Yurek:** I have concerns about the changing of the geographical area after a year. This fund is supposed to be for certain areas of the province and there's nothing really to stop the minister from moving it to an area, which kind of takes away from the purpose of the fund to start with. If you look at my riding per se, during the election campaign there was a promise of a hospital redevelopment and they pulled it out of the area, so there's nothing to stop the government from actually pulling this funding from southwest Ontario after a year. I have great concerns with point number 1.

**The Chair (Mr. David Oraziotti):** Okay, thank you. Mr. Marchese?

**Mr. Rosario Marchese:** I understand the member's point, but I think number 1 was intended to deal with two areas that were excluded, based on the presenters. A group came from Muskoka and the other group came from Durham, and they were saying that they're left out of these two funds. I understood the problems that they were expressing.

1600

Muskoka, in particular, is not part of the northern community, although it is in the federal boundaries, the way they set them up. But here they're excluded, so one is sensitive to that argument. I think part of why 1 was there is to reflect on the inclusion of possibly other areas that are, at the moment, not part of any funds.

I'm okay with 1, 2 and 3. I was concerned about 4, given that we passed our amendment to section 3.1 of the bill, the administration of programs, corporations established. Given that we have set it up on the basis of how it is done in northern Ontario, the northern Ontario heritage fund, I don't think this is necessary anymore. So I would move that we delete 4.

**The Chair (Mr. David Oraziotti):** As a proposed amendment.

**Mr. Rosario Marchese:** I move that we delete 4 because we already have something that establishes it.

**The Chair (Mr. David Oraziotti):** Ms. Cansfield, do you want to comment on—

**Mrs. Donna H. Cansfield:** Yes, thank you. The intent around the geographic was to actually respond and listen to those folks who felt they had been excluded, as was identified by Mr. Marchese. After a period of one year, we would review and see whether or not those geographical areas should be included, because there's one in each area that feels they've been left out.

But the intent is not to remove from the existing, but probably to include or find a solution for those who feel that they don't have the same opportunities, because they certainly are in some similar challenges when it comes to job creation.

So while I can understand maybe you feel that way, the intent was whether or not they should be expanded to include those areas which are currently excluded. It's meant to find a mechanism to be able to do that, and I have no problem with deleting number 4. You're correct.

**The Chair (Mr. David Oraziotti):** Okay. Any further comment?

**Mr. Rosario Marchese:** So I would move that we delete 4 from that motion.

**The Chair (Mr. David Oraziotti):** Okay, we'll vote on that first, unless there's any further comment.

Okay, so the government motion, item number 4: We're going to move that that's deleted from the motion. All those in favour? Opposed? Okay, item number 4 is deleted.

The balance of the motion stands. All those in favour of government motion number 6, as amended? Opposed? Okay, the motion is carried.

Okay, sections 4, 5, 6, 7 and 8 have no amendments, unless anyone is bringing any forward. We'll vote on those together. Seeing no amendments, shall sections 4, 5, 6, 7 and including 8 carry? All those in favour? Opposed? Okay, they're carried.

Shall the title of the bill carry? All those in favour? Opposed? Carried.

Shall Bill 11, as amended, carry? All those in favour?

**Ms. Laurie Scott:** Can I make some comments just before the bill carries? Is that the final—

**The Chair (Mr. David Oraziotti):** This would be the appropriate time. Yes, go ahead.

**Ms. Laurie Scott:** Okay, good. I just wanted to state on the record—and I know we've said it many times in the Legislature before—our concerns about this bill and why we wouldn't be supporting it.

Just a little bit of background: The eastern Ontario fund was set up because eastern Ontario, as Mrs. Cansfield has noted, does have some unique problems: the fact that it's a large network of roads, a smaller population, low household incomes, low industrial base. So it was set up back in 2008 with that intent, and I know some of our members—even before that, we discussed it.



It was a \$20-million fund that was originally set up. I don't believe at the end of the day—I still don't know for sure the figures, if it was all taken up or used up. But we felt that that should have been—as a fund, it didn't have legislation; it was set up as a fund—carried over. There was some discussion at the Eastern Ontario Wardens' Caucus about maybe some tweaking, because there was still money left over in the fund, in which more businesses could apply and maybe be successful.

So it had some success, for sure, in our ridings with leveraging some opportunities. We are now in a financial situation in the province with record debt and deficit, and I won't repeat all the numbers. Also, I mentioned and highlighted eastern Ontario's specific needs, because, as Mr. Marchese has pointed out, you have other areas of the province that came to committee. So you have Durham and Niagara and Muskoka, and everybody goes, "Why not me?" This is the difficulty, and now that we've tried to bring in the legislation, including southwestern, why not the other territories? I wanted to highlight the fact that eastern Ontario did have and still has unique needs. As northern Ontario has a separate fund, so does eastern Ontario.

We wanted to put on the record that we won't be supporting the bill when it does go back. Those are some of the reasons. We're in an era of fiscal restraint. The fund still had some money and could have been carried over without legislation. There was no legislation to have more government spending exist here, and I don't want to pit region against region. That's not my intent. That's why I explained the eastern Ontario situation that existed.

I just wanted to put that on the record. I know it's been in Hansard in the Legislature many times, but I just wanted to put that forward.

**The Chair (Mr. David Oraziotti):** Any further comments? Ms. Cansfield.

**Mrs. Donna H. Cansfield:** I guess I should respond. The challenge, of course, has been that this world has changed in the last number of years since the fund was first established to help create—which was a requirement and a necessity in eastern Ontario, without question. Certainly, I'm quite familiar with the area. It is not without its challenges. However, as I indicated, the world has changed and the rest of the province is not without its challenges. As your party has indicated and ours has made it a priority, job creation is number one, and that means that there's a fiduciary responsibility to look at all of the province, not just part of the province, to be able to capitalize on what's our greatest asset, which is our people, and to create those jobs.

So by promoting and encouraging the eastern development fund to continue and then modeling another fund on what we know—because, as I have indicated many times, the third party analysis by KPMG says that it's one of the finest funds they've ever come across in terms of job creation. I don't think that should be minimized—the amount of work, effort and commitment that's occurred in eastern Ontario, due not only to the people but to the objectives of this fund. To be able to model that over into other regions of this province, to me,

should be something we should all be finding ways and means to do. That's why we're looking to see in the amendment whether or not we need to expand our geographical arena in case we have omitted anyone.

While I appreciate the political reality of not being able to support it, I think sometimes it is a good idea when we go beyond politics and look at what are the best needs of the people in this province. There's no question in my mind that where you can spur job creation and encourage that creative entrepreneurship is exactly what we needed to be able to do.

So I'm sorry, and I feel regret that you're not able to support this. Hopefully, it will pass in the House because it is desperately needed in all regions of this province, not just in eastern Ontario.

**The Chair (Mr. David Oraziotti):** Mr. Marchese.

**Mr. Rosario Marchese:** We can't lose that opportunity, either. Although we'll be making that hopefully when this comes back to the Legislature, but the real—I mean, everything is politics. Everything we do is political, and we all do it from different perspectives. Would that there would be a politics that is beyond politics. I just don't know of any such place that is able to do that. So everything is political.

This program is created through offsets. This is not new money, which means that whatever money was being provided for job creation could have been provided by the existing programs. I appreciate the fact that when you send them regionally, you might be able to do a better job. But the point is, it's not new money. This is the same set of dollars that probably would have created similar jobs, and maybe not as sensitive, perhaps, to one area or another—sorry, it could have been biased towards one particular area versus another. That's possible, but job creation would have happened through this fund. We're just taking some of the money here and saying, "Okay, we're going to create some jobs there and some jobs here." That's why I was particularly sensitive to the fact that some areas were not getting access to that particular fund. So that's why I support the whole idea of this review, because it's important for other areas to be able to access it some way or other, and if they're excluded, that's a problem. So we need to look at that.

1610

The point is that the amendments we made with the support of the Conservatives—we understand the position they're taking—I think are helpful. I think that the Conservatives want some independent board to make sure that the money is given independently and without undue political influence, and that's something that I think we can agree on, and, to some extent, that's why you supported the amendment. So we're happy about that. We'll debate why you don't support it on third reading. It's okay. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Okay. I think that's all the comments.

A couple more items to vote on, folks, the last two items: Shall Bill 11, as amended, carry? All in favour? Opposed? That's carried.



Shall I report the bill, as amended, to the House? All in favour? Opposed? Carried.

Okay, folks, that concludes clause-by-clause on Bill 11.

### COMMITTEE BUSINESS

**Mr. Rosario Marchese:** Wait, we have another item.

**The Chair (Mr. David Oraziotti):** We do. Go ahead.

**Mr. Rosario Marchese:** I'm ready to read it on the record. Thank you, Mr. Chair.

I move that pursuant to standing order 111(a), the Standing Committee on General Government initiate a fair and balanced study into a range of auto insurance industry practices and trends with the purpose of developing recommendations on how to make insurance rates more affordable, and that the committee report its findings to the House. The study shall include witnesses to be called upon to assist the committee and shall include, but not be limited to:

- the current overall profitability of the property and casualty industry, with an analysis of current and future trends in both investment and underwriting income;

- the profitability of auto insurance underwriting in Ontario and costs related to Ontario underwriting, with particular emphasis on profits in the post-September 30, 2010, era where the statutory accident benefits were amended;

- assessing the adequacy of med-rehab treatment as per the capped minor injury guideline;

- the relationship between insurance underwriters and their sales representatives and/or the role independent brokers of insurance play in the industry. This would include an in-depth look at the extent to which brokers that portray themselves as independent of insurers really are independent;

- the impact of fraud in the insurance industry and how that impacts insurance rates;

- assessment of the adequacy of the current definition of “catastrophic injury”;

- ongoing and future trends in claims fraud as well as the impact of recent anti-fraud initiatives in combating such activity;

- the appropriateness of the 12% return-on-equity rate and the approvals mechanisms related to the ROE rate;

- reviewing the auto insurance dispute resolution system; and

- reviewing risk assessment factors of drivers and the corresponding rates assigned to particular drivers, as well as the eligibility and classification factors that currently determine individual, corporate and fleet coverage.

**The Chair (Mr. David Oraziotti):** Do you want to take a minute to make some general comments about it and elaborate?

**Mr. Rosario Marchese:** A few comments, Mr. Chair?

**The Chair (Mr. David Oraziotti):** Yeah.

**Mr. Rosario Marchese:** We understand that fraud exists. We would like to have a balanced study about fraud, how big it is, and if we have some objective study, we would get a better sense of the problem.

We know that many are facing unaffordable premiums. To the extent that fraud is contributing to this problem, we need to take a close look at what is going on. We're basically saying to the government that it needs to take steps to find out why claim costs are ballooning and to get a handle on the spiralling cost of injury claims that are driving up auto premiums and hurting household budgets, especially in some areas like the GTA and others.

We're very concerned because when we talk to people at the Alliance of Community Medical and Rehabilitation Providers, they state things that are of concern to us that should be investigated and talked about. Some of the more disturbing results of the survey that they have done include the fact that 42% of treatment requests are now being rejected, compared to only 11% before the reforms. So something is going on here, because it's an incredibly huge increase of 282%, and we'd like to know what is happening. Of those that are declined, only about half are now being referred for a second medical opinion. Something is happening; I'd like to know what that is.

In about 50% of the cases where an independent examination has been ordered, it's now taking longer than 30 days for the report to be produced, whereas before the changes were made it had to be done before 30 days, and it was. So now there is a greater delay happening. Survey respondents report that when treatment plans are turned down by the insurance companies, in most cases this is now done without a medical reason being given, which appears to be a breach of the regulation. So we'd like to be able to bring in witnesses to talk about this.

We want to look at the dispute resolution mess. These revelations follow a recent Auditor General's report which revealed that 33,000 insurance claims—almost half of the annual total—are in dispute and stuck in a one-year backlog awaiting action by the Financial Services Commission of Ontario. That's a serious problem that needs to be addressed, and I think this committee can get to it.

We're concerned about how—and we call it discrimination by neighbourhood, because we feel there is discrimination by neighbourhood. I want to just give you one example. Based on the lowest quotes available, a 40-year-old driver with a spotless record, driving a sub-compact car, living at Weston and Jane, will pay an approximately \$2,500 premium, while if that same person was living in Lawrence Park—the Lawrence area on the east side of Bathurst—with the same car and driving record, he or she would pay approximately \$1,150. This is the same person, the same car, with the exact same risk of being in an accident, and the rates are more than double. So we need a change that helps some drivers out. Insurance is incredibly costly for a lot of people, and a lot of folks need to drive, as much as we want to discourage as many as we can by taking TTC where it's available. Some of these rates are hurting people.

We know, based on a number of statements made by various insurance companies, that their profits are okay.



They're doing well. I could read them for the record, but I don't think I need to. I was looking at the profits from Intact, Dominion, Co-operators, Aviva, and Royal and Sun Alliance, and they're all doing well. It would be good to review all of this, and I suspect other members might have other opinions on this in terms of other issues that they might want to bring to our attention. I would be happy to hear those concerns from other members, but this is our opportunity to be able to get people who would come and give us their experience, who would come and give us their research—as objective, obviously, as possible—so that we would get a better handle on how we are able to, yes, make sure that insurance companies make profits while at the same time making sure that those who need to drive have affordable rates and that those who are affected by injury get the benefits that they deserve.

I think we could do a good job of this if we get the right witnesses here and the right evidence.

**The Chair (Mr. David Oraziatti):** Further comment? Go ahead, I saw—sorry?

**Mr. Todd Smith:** We have a motion as well.

**The Chair (Mr. David Oraziatti):** You have a motion as well?

**Mr. Rosario Marchese:** Well, we can deal with this, and then we'll deal with the other.

**The Chair (Mr. David Oraziatti):** Yeah, let's deal with this. Comments on this motion? Go ahead, Mr. Yurek.

**Mr. Jeff Yurek:** I think it's pretty timely to have a review. I've been looking at auto insurance for the last six months, and I think it would be a good idea to take a look at some of the changes made in 2010.

In my talks, the rural component of Ontario is suffering with getting proper assessments due to the costs that are incurred. Fraud is huge and mainly occurring in the GTA, which is inflating our rates beyond belief. I don't believe this government has the capability or the wanton attitude to actually tackle fraud. They've been putting it off for so long.

1620

My reports are that the mediation is 12 months behind, and they have yet to have a mediation with these new changes post-September 2010. FSCO's problem with changing rates—I'm just listing off a bunch of problems that I think we can get—the process is so cumbersome and the bureaucracy involved is actually causing some companies to not lower their rates immediately, because by the time it gets approved, things have changed and they'll be losing money due to the fact that it takes so long to get their rates lowered. So I think the bureaucracy that his government has built into the insurance system needs to be looked at.

With regards to the definition of the catastrophic injury, the government does have a report sitting on someone's desk by a group of experts defining “catastrophic event,” and I'd love to see that report out and have a big discussion as to how we can define “catastrophic injury.” I'm not getting any answers with the current government, so bringing them in to have a good

discussion, a good study of where insurance is going in this province, being the province with the highest rates in Canada—we definitely want to see what we can do to bring relief to everyone in Ontario.

**The Chair (Mr. David Oraziatti):** Thank you, Mr. Yurek, for your comments. Further comment? Mrs. Cansfield.

**Mrs. Donna H. Cansfield:** I don't think anybody who's been involved with their constituency is not aware of the challenges with the issues of auto insurance, each and every one of us.

I have a couple of questions. First, my question is, is this the right committee? Or should it be finance and economic affairs?

**Mr. Rosario Marchese:** This is the right committee.

**Mrs. Donna H. Cansfield:** Well, I wonder if it should not go to finance and economic affairs. It would seem to be the place where this particular analysis should take place. Anyway, I'd like to sort of put that on the record, that that should have been a consideration, that it should go forward to finance and economic affairs as opposed to this committee. I guess the committee ultimately will make a decision, but I don't know if I need to put a motion forward for that, Chair, or not, that this particular motion be forwarded to the finance and economic affairs committee.

**Mr. Rosario Marchese:** But Mr. Chair, I would like—if the clerk could speak to this, that would help. As far as we know, because we work through the clerk—

**The Chair (Mr. David Oraziatti):** Mr. Marchese, can we have the list back? Thank you. That would be—

*Interjection.*

**The Chair (Mr. David Oraziatti):** No, not the motion. It's the list of the appropriate committees.

**Mr. Rosario Marchese:** As far as we know, it's quite in order, and if she could speak to it, that would solve your question.

**The Clerk of the Committee (Ms. Sylwia Przedziecki):** Mr. Marchese has moved this particular motion under standing order 111(a), which reads, “Standing committees set out in standing orders 108(a), (b) and (c)—which are the three policy field committees—“shall, in addition to any other powers granted to them, be authorized to study and report on all matters relating to the mandate, management, organization or operation of the ministries and offices which are assigned to them from time to time, as well as the agencies, boards and commissions reporting to such ministries and offices.”

The assignments of the ministries to the standing committees, outlined in (a), (b) and (c), are made by the Standing Committee on the Legislative Assembly. This was done on March 21, 2012. So the Ministry of Transportation—

*Interjection.*

**The Clerk of the Committee (Ms. Sylwia Przedziecki):** So a member of a policy field committee, such as this is, has the right, under standing order 111(a), or the committee as a whole has the ability to engage in a study. The finance committee, I suppose—



**Mrs. Donna H. Cansfield:** If I may, Chair, I don't disagree with the right of the member to put forward a recommendation. I'm just asking a simple question of whether or not it would be more appropriate for this analysis to occur at economic affairs as opposed to this committee. That's all I was asking.

**Mr. Rosario Marchese:** But this committee has the power to do so, and if finance committee members want to come and sit in this committee to replace some of the other members who are here, that's fine, but we have the powers in committee, under the standing orders, to do this. So we're going to do it here.

**Mrs. Donna H. Cansfield:** Okay, well, I guess I was going to say that finance bills and matters—and this is finance; there's no question there are financial issues here—are usually sent to the finance committee. That's why I was questioning. Should it not go—

**Mr. Rosario Marchese:** I understand—

**Mrs. Donna H. Cansfield:** I mean, it's well within its purview. I'm just suggesting, because we actually have something in front of that here; we have the Aggregate Resources Act, which is already on the table for review, before this. I'm just suggesting it might be more appropriate for it to go to economic affairs.

**Mr. Rosario Marchese:** We hear you, but we do have the power to be able to introduce this, pursuant to standing order 111(a), in this committee, and we will bring witnesses here. Those who have expertise in that committee can come and replace some of you or some of us. We can do it.

**Mrs. Donna H. Cansfield:** Okay, I just need, also, a clarification. In my understanding, this is on my agenda—unless you have another agenda that I didn't get. It says, "Notice of motion filed by Rosario Marchese, MPP, pursuant to standing order 126" and you keep referring to 111(a). Which—

**Mr. Rosario Marchese:** Sylwia? I thought maybe they only had one, but if the other one is on the order paper, what I would say is that I withdraw that and introduce this, which is what I read on the record.

**The Chair (Mr. David Oraziotti):** So 126 has been withdrawn; it's 111(a).

**Mrs. Donna H. Cansfield:** It has been withdrawn? Okay. Now it's 111(a); all right. Anyway, we're going to deal with the Aggregate Resources Act first, and then we'd have to deal with this second. That's why I'm suggesting, if it has such an issue of importance, it maybe should go to the finance committee to get the level of—to get it done.

**Mr. Rosario Marchese:** I understand.

**The Chair (Mr. David Oraziotti):** The Ministry of Finance, that area of jurisdiction—

**Mr. Rosario Marchese:** I'll be very blunt, Mr. Chair: If the Conservatives support this motion, we can get it done; if we refer it to the other committee, it will not be done. That, just bluntly, is the problem. That's why we're doing it here in this committee.

**The Chair (Mr. David Oraziotti):** Okay.

**Mrs. Donna H. Cansfield:** Well, there are a couple of other things, if I may raise them? I just saw this. I don't

disagree with what you're saying. What my comments are, though, is that there's obviously a huge cost associated with this. You want in-depth analysis. You want independent analysis. You want to be able to call witnesses.

**Mr. Rosario Marchese:** Yes.

**Mrs. Donna H. Cansfield:** I mean, there's a cost associated and time associated. So what I'm going to ask is, can this be deferred to the next meeting so that we can have a chance to—I've never seen this before—look at this and to look at the cost impact of this and be able to come back to you? As I said earlier, all of us have these issues. There are probably some on here you have not identified that maybe others might like to put on. But we just got it. We haven't had a chance to review it. I wonder whether or not we could just defer it for a week or to the next meeting, where we could have a good look at this and then also maybe add to it and ask some of the questions around time frame. If we're going to do the Aggregate Resources Act, when does this come in? What kind of time frame are you looking at? Because we're going to hit the summer, or maybe not; we may be doing other things. So there are just some questions. I don't think it's unreasonable to ask for a week's deferral, so I'd like to put that on the table.

**Mr. Rosario Marchese:** If I can, Mr. Chair? Pursuant to standing order 111(a), we can do this. Once we agree, then discussions can happen next week and other matters could be added to it. I don't think this is exhaustive in terms of what we're trying to do. So we will have the discussions, obviously, with the whole committee. Next week, they can bring other matters to this and we can add to it and talk about it—whatever we can—but I think we should pass it today.

**Mrs. Donna H. Cansfield:** Excuse me, Chair. If I may, as I recall, at one of our other meetings, when the member of the NDP asked for a deferral for something very similar, we acquiesced and said we were more than pleased to be able to provide a deferral of a week. I'm just making the same reasonable request that you asked us for.

**Mr. Rosario Marchese:** See, I understand reasonableness. The point is that we don't want to change what is here; I really don't.

1630

**Mr. Joe Dickson:** She's not saying that.

**Mr. Rosario Marchese:** I understand. And because we're not changing anything, whatever you want to add the following week, we can, and we can discuss it. It doesn't change anything that you might want to bring forth by way of other things you would like to add. So I'm prepared to proceed.

**Mrs. Donna H. Cansfield:** Okay, I'm just asking again, and I'll look at—"This would include an in-depth look at the extent to which brokers that portray themselves as independent...." Well, I'd like to flush that out. I'd like to have an opportunity to talk to—

**Mr. Rosario Marchese:** Well, we will be able to—



**Mrs. Donna H. Cansfield:** No, hang on. If I may, Chair, all I'm asking is for a deferral of a week so I can read something that is actually quite in-depth and I've never seen before. I don't think it's unreasonable. You asked us, we acquiesced and said, "Sure, we understand that." I'm just asking for the same reasonableness and—

**Mr. Rosario Marchese:** Mr. Chair, procedurally—

**The Chair (Mr. David Oraziotti):** Hang on a second. Just to clarify what you're saying here: You're putting forward a motion for deferral first?

**Mrs. Donna H. Cansfield:** Just for a week.

**The Chair (Mr. David Oraziotti):** Mr. Marchese.

**Mr. Rosario Marchese:** I think, procedurally, we either accept or reject this, and then we will be able to add other things to it. This is not the time, today, where we discuss the details of each one of these items, as far as I understand it. Perhaps if there's something else, procedurally, that they want to comment on, the clerk or others, they can comment on it. But as far as I know, we make an argument, and then we move on.

**The Chair (Mr. David Oraziotti):** Procedurally, we'll vote on a deferral or not, and then we'll vote on your motion.

**Mr. Rosario Marchese:** Okay.

**The Chair (Mr. David Oraziotti):** So, speaking to the deferral: I'm hearing defer it; I'm hearing not defer it. Mr. Coteau?

**Mr. Michael Coteau:** I will speak in favour of deferral. It just gives us an opportunity to look at the scope of the work, and I think it's reasonable for any committee member to ask for it to be delayed for a week so we can take a look at probably adding some more content to it. I think one of the members opposite even brought up the fact that he had some ideas around auto insurance in Ontario. I think it would be a good opportunity to wait a week or until our next meeting, and I think that's a reasonable request.

**The Chair (Mr. David Oraziotti):** Mr. Yurek, further comment?

**Mr. Jeff Yurek:** Well, this is isn't really a new issue. There have been changes since 2010. We're almost at the two-year point, and I think this would be a perfect time to actually get the ball rolling. As I said, this looks good to me. I don't see changing it any. You could add to it, and certainly we could add to it next week, but I think we should get this ball rolling and pass it on.

**Mr. Rosario Marchese:** Mr. Chair, I appreciate Mr. Yurek's comments. I disagree with Mr. Coteau and Ms. Cansfield. The motion is quite clear. It says "witnesses to be called upon to assist the committee and shall include but not be limited to...." So when Mr. Coteau or Ms. Cansfield consult the ministry, they can come back and bring other matters to this standing order, which is quite fine. I think we can proceed and allow them the time to come back and add more things to it. We'll be okay.

**Mrs. Donna H. Cansfield:** If I may, Mr. Chair, just as a final comment: I'd like to put it on the record that, in fact, if I had placed this in front of you without prior knowledge, you would be most distressed, I would suspect.

**Mr. Rosario Marchese:** Possibly, depending on what it is.

**Mrs. Donna H. Cansfield:** Exactly. All I was asking for is some time to give this an analysis, and I'd just like it on the record that that was not something that you were pleased to be able to provide for a committee member. So I thank you for that.

**The Chair (Mr. David Oraziotti):** Request for a deferral has been asked for. I'm going to ask for a vote on a deferral. All those in favour of the deferral? All those opposed? Okay, we're not deferring the matter.

Any further discussion on the motion?

**Mrs. Donna H. Cansfield:** Can I again clarify that the resources act will go first before this, because it's on the committee's agenda beforehand?

**Mr. Rosario Marchese:** Pursuant to the standing order, does this take precedence?

**The Chair (Mr. David Oraziotti):** That's subcommittee, House leaders, further discussion. The committee can decide order, precedence, priority for committee business.

**Mrs. Donna H. Cansfield:** So, Mr. Chair, could we have a 20-minute recess before we vote, because we have—

**Mr. Rosario Marchese:** I think we're ready for the vote, Mr. Chair, and she's just doing this—

**Mrs. Donna H. Cansfield:** Every member can ask for a recess—I'm sorry—for a period of time.

**The Chair (Mr. David Oraziotti):** She can ask for a 20-minute recess before the vote. We'll come back after the other vote, as well, and vote on this. Recess.

*The committee recessed from 1635 to 1655.*

**The Chair (Mr. David Oraziotti):** Let's carry on. Okay, Mr. Marchese, go ahead. Your motion—

**Mr. Rosario Marchese:** I moved the motion, and we're ready to vote.

**The Chair (Mr. David Oraziotti):** Moved the motion, ready to vote. Any other comments?

All in favour? All opposed? The motion is carried.

**Mr. Todd Smith:** Mr. Chair?

**The Chair (Mr. David Oraziotti):** Okay, Mr. Smith.

**Mr. Todd Smith:** I move that pursuant to standing order 111(a), the Standing Committee on General Government study and report on the mandate, management, organization and operation of the ministries of: Economic Development and Innovation; Environment; Finance; Infrastructure; Labour; Municipal Affairs and Housing; Tourism, Culture and Sport; Consumer Services; Finance; and Transportation vis-à-vis the economic, social and environmental impacts of traffic congestion or "gridlock" in both the greater Toronto area (GTA) and the Ontario side of the National Capital Region (NCR). The committee would call upon the aforementioned ministries, as well as appropriate stakeholders to study "gridlock" and solutions to it so as to bolster economic development, job creation and the more efficient flow of people and goods throughout the GTA, NCR and connected regions. The study would include but not be limited to:



—determining the level of any adverse effects that “gridlock” may have on economic development and job creation;

—assessing the true economic costs of traffic congestion in the GTA and NCR;

—determining any human costs associated with traffic congestion and the impact it may or may not have on families;

—determining the localized effects in the GTA and NCR of traffic congestion vis-à-vis economic development, business improvement areas, localized job creation and the business/personal profitability and productivity of small businesses;

—assessing and reporting on ways to lessen the burden of “gridlock” burden on businesses and labour vis-à-vis enhancing and promoting productivity, logistics, flow of goods and commuting times;

—determining innovative short-term and long-term solutions on improving the efficiencies of highway, rail and other transportation corridors and how to improve transportation methods in those corridors to move people and goods in the GTA and NCR more efficiently, cost-effectively;

—studying new models of affordable, sustainable and viable public transportation and identifying innovative options that enhance modalities of regional, inter-regional and municipal public transportation within the GTA and the NCR, whether public or private, and assessing the costs of implementing those options and operating them, including capital funding and operation fare/payment models;

—studying new and/or alternative and sustainable approaches to funding transportation and transit solutions in the GTA and the NCR; and

—determining innovative ways to enhance efficiency of freight in the region including regional freight rail options, grade separations, intermodal freight facilities and methods to improve environment efficiencies to reduce fuel costs and environmental impact.

**The Chair (Mr. David Orazietti):** Thank you, Mr. Smith. Do you want to make any general comments about the motion?

**Mr. Todd Smith:** Just the fact that I think we all understand that in our urban areas, specifically in the GTA and the National Capital Region, we are facing gridlock which is unprecedented in North American cities. It obviously is having an impact on our economic growth; we’ve seen hundreds of thousands of jobs lost in Ontario over the last several years and obviously gridlock is playing a role in that. There are many, many different witnesses we could call to examine the effects of gridlock on our economy, and we look forward to having an opportunity to do that.

**The Chair (Mr. David Orazietti):** Thank you. Further comment?

**Mrs. Donna H. Cansfield:** I was just curious around the—I mean, again, it’s something that impacts significantly, but there are some federal jurisdictions in

here that are not under the purview of the province. Rail freight is one of them; we have no jurisdiction in that. As a matter of fact, I think it was the previous Harris government that took that out of the Ministry of Transportation.

The other is the regionalization around the NCR. There are some very restrictive—so I guess I’m just asking for some—it doesn’t have to be today—clarification around those jurisdictional issues, because there is no point trying to study something we have no authority over studying and wasting the kind of time. Because I must admit, I think this is a fairly significant undertaking, to say the least, and it involves a significant number of ministries, and so I would suspect it will be a long time in coming. It’s certainly something that seems to be addressed—I don’t have any difficulty with it—but recognize jurisdictional issues and it’s going to be a huge undertaking.

I guess the other question—and it goes to the same with the previous motion—is that at some point the subcommittee is going to have to talk about money, because you’re into a significant amount of money with the kinds of studies you’re going to do; witnesses won’t cut it all for the things you’re asking for in either of these motions. We need to put on record exactly what kind of money we’re prepared to spend during this time of constraint to do this kind of initiative so that we’re all well aware of the impact of that financial event that may be put in place.

**The Chair (Mr. David Orazietti):** Thank you. Mr. Marchese?

**Mr. Rosario Marchese:** We will be supporting this motion because we think it’s a good one. Now is the time to start taking a more holistic view of the impacts of gridlock on people and the economy. We know the Toronto Board of Trade has pronounced themselves on this issue and have talked about people in the GTA facing the longest commute times of 19 major cities, including New York, Los Angeles. We know that traffic congestion costs the city of Toronto \$3.3 billion a year and that Toronto Public Health reports that vehicle pollution leads to over 400 premature deaths from the air pollution each year. So the financial implications of not dealing with this issue are big and serious.

So whatever investments we need to make to try to get a handle on this I think are worth it. Because if we can prevent deaths and we can deal with congestion, we would be saving the city and the province a whole lot of money in the future. I’m prepared to look at whatever undertakings this committee needs to look at so we can do a proper study.

**The Chair (Mr. David Orazietti):** Thank you. Any further comment on the motion? Seeing none, all those in favour? Those opposed? Motion’s carried.

Anything further today, folks? No? Okay. Committee’s adjourned.

*The committee adjourned at 1701.*





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## Assemblée législative de l'Ontario

Première session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 18 April 2012

# Journal des débats (Hansard)

Mercredi 18 avril 2012

**Standing Committee on  
General Government**

Ontario One Call Act, 2012

**Comité permanent des  
affaires gouvernementales**

Loi de 2012 sur Ontario One Call

Chair: David Oraziotti  
Clerk: Sylwia Przedziecki

Président : David Oraziotti  
Greffière : Sylwia Przedziecki



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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

Wednesday 18 April 2012

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Mercredi 18 avril 2012

*The committee met at 1603 in room 228.*

## ONTARIO ONE CALL ACT, 2012

## LOI DE 2012 SUR ONTARIO ONE CALL

Consideration of the following bill:

Bill 8, An Act respecting Ontario One Call Ltd. /  
Projet de loi 8, Loi sur Ontario One Call Ltd.

**The Chair (Mr. David Oraziotti):** Okay, folks, good afternoon. Welcome to the Standing Committee on General Government. We're here today to hear presentations and deputations with respect to Bill 8, An Act respecting Ontario One Call Ltd.

## ENBRIDGE GAS DISTRIBUTION

**The Chair (Mr. David Oraziotti):** Our first presenters are here, Enbridge Gas Distribution. Welcome to the Standing Committee on General Government. As you're aware, you've got 10 minutes for your presentation. Any time that you don't use for your presentation will be divided among members of the various caucuses to ask questions of you. The time is yours. Just start by stating your name for our recording purposes, and you can go ahead.

**Mr. Guy Jarvis:** Thank you. My name is Guy Jarvis. Good afternoon, committee and audience members. As I mentioned, my name is Guy Jarvis, and I'm the president of Enbridge Gas Distribution. Jamie Milner is our vice-president of pipeline integrity and engineering.

We appreciate you hearing our perspective about Bill 8, the Ontario One Call Act. This is not a political issue, but one of safety that crosses party lines, one that I urge you to support.

It may surprise you to know that, on average, four natural gas pipelines are damaged in the Ontario communities we serve every day, 365 days a year. That is four times a day that local firefighters, police and utility employees are called to what are often preventable incidents. These incidents put not only responders at potential risk of injury or death, but excavators, homeowners and passersby as well.

Damage to underground natural gas lines has also cut off home heating in the winter, forced road closures and evacuations, and temporarily closed business operations.

So much of this damage and the resulting safety issues are unnecessary: caused by third parties who didn't call

to ask their utility or municipality if there was any underground infrastructure to avoid. And there is a great deal to avoid.

Enbridge Gas Distribution alone delivers natural gas to 1.9 million customers through 35,000 kilometres of pipes in Ontario. There are also assets owned by other pipeline companies, water and hydro utilities and the telecommunications sector. Protecting this vital infrastructure that Ontario families and our economy depend on makes sense.

Safety is Enbridge Gas Distribution's top priority, and protecting our gas distribution system is something we take very seriously. So we invest significant dollars in employee training, pipeline integrity and system maintenance.

To address damage caused by third parties, we do a great deal to promote safe digging practices and educate people in the municipalities we serve about the need to call before you dig. Hopefully, you all recognize this message that goes out in our customer bills and on billboards, in radio advertisements and at trade shows.

We're founding members of the Ontario Regional Common Ground Alliance, the organization responsible for driving the safe digging agenda forward in Ontario. And we are a founding member of Ontario One Call, a voluntary, not-for-profit call centre designed to make it easy for people to call for the location of underground utilities with one free call.

Unfortunately, despite all of these efforts and more, people don't always call before they dig. In fact, the Ontario Regional Common Ground Alliance conservatively estimates that the annual cost to repair damage to underground infrastructure exceeds \$39 million, excluding costs associated with emergency responders. This results in unnecessary expense to Ontario families and businesses through their utility bills and their property taxes.

Despite the industry's efforts to educate people about the potential repercussions and the existence of a non-profit One Call centre, why would people still work in the ground without knowing what's there first?

Unfortunately, joining Ontario One Call is voluntary, and many owners of underground infrastructure do not participate. As a result, residents in one community we serve have to make 13 different phone calls to get the location of underground utilities in their neighbourhood. This confusing system is all too often responsible for people digging without underground utility locates.



Fortunately, there is a solution. The passage of Bill 8, the Ontario One Call Act, would significantly reduce the risk of damages to underground infrastructure stemming from digging without proper locates by making Ontario One Call mandatory for excavators, utilities and municipalities.

Later today, you will hear from others who oppose the bill on the basis of cost. We believe that this legislation will actually save money for excavators, utilities, municipalities and society by reducing administrative effort to arrange for locates and reducing the damage, business interruptions and, worse, injuries and deaths that can result. Safe digging best practices in other jurisdictions include a mandatory system.

I can't think of any better way in which to demonstrate the merits of Bill 8 than the successful example in the United States. In the United States, where every jurisdiction has had a mandatory One Call system since 2006, there has been a 70 per cent reduction in damages. Whether you live in New Mexico or New Hampshire, you can call one number for the location of underground utilities before you dig.

Why should the residents of Belleville, Lindsay, Pickering, Rainy River, Sault Ste. Marie or Toronto be denied access to this best practice? Ontario is lagging behind the rest of North America when it comes to reducing our underground infrastructure damages.

My call to action today is clear. Enbridge Gas Distribution supports the speedy passage of Bill 8, the Ontario One Call Act, and I ask that you support it too. Making the utility locate system simple, consistent and mandatory for all underground utility owners is an important way to make Ontario a much safer place to work and live. Enbridge firmly believes that safety cannot be voluntary.

In 1976, legislators in Ontario decided that safety should not be voluntary when it came to drivers wearing seatbelts. They led the first mandatory seatbelt law in Canada and saw other Canadian jurisdictions follow. In 2012, it is time that Ontario leads Canada again by implementing the first mandatory One Call system for underground utility locates in the country.

I thank you for your time and we look forward to your questions.

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**The Chair (Mr. David Oraziotti):** Okay, thank you very much for your presentation.

I just want to make a note for members of the committee that Mr. Bailey has handed out the Ontario Regional Common Ground Alliance handbook here for referral should you need to do that. Thank you very much, Mr. Bailey.

First, over to the Conservatives. Questions?

**Mr. Robert Bailey:** Thank you, Mr. Jarvis and Mr. Milner, for attending today and presenting. Yes, I did bring that handbook in. I thought it might explain a lot of questions that members might have. I know I learned a lot from it the other day at a presentation I was at with the insurance company.

My first question is—and thank you for presenting today—could you give us an idea of the cost to your organization in any given year of strikes or potential damages to your utilities?

**Mr. Guy Jarvis:** Well, I can start out by saying that in 2011, we had approximately 1,450 strikes of our asset. Obviously, the cost to repair any one of those would range from relatively minor, in a circumstance where the release was minor, to some that were very substantial that require us ourselves to get in and do things like excavation to find safer points at which to deal with the leak that has been created.

Jamie, I'm not sure if you've got a number that you would be willing to attach to that range or not.

**Mr. Jamie Milner:** Well, I can give you just a range of costs. In terms of the damage costs themselves, you're talking about an average of about \$1,000 per, and you've got 1,400 of them. However, we have a lot of other costs and liabilities that go with that, so you can almost triple those costs when you look at all of the overheads associated with that and other liabilities that come with it.

**Mr. Robert Bailey:** Another question I have that has been raised as an issue, Enbridge being one of the former owners before the change made to Ontario One Call when it went to, you know, the opportunity to go to the non-profit: Has Enbridge ever made a profit off of the operation of Ontario One Call?

**Mr. Guy Jarvis:** No, we've never made a profit off of Ontario One Call. In fact, initial investments that we put into that organization, we left in the organization when it went to its new structure. Our view on that matter is that there should be a single call centre, a non-profit organization with an independent board that's representative of the utilities and municipalities that are on it. We think the One Call that's in place now can do the job, but we're more interested in there being a single point than it being the one that we're affiliated with.

**Mr. Robert Bailey:** Oh, is my time up?

**The Chair (Mr. David Oraziotti):** We need to move on, yes.

**Mr. Robert Bailey:** Thank you.

**The Chair (Mr. David Oraziotti):** Mr. Marchese.

**Mr. Rosario Marchese:** We understand that there are costs related to damage and other liabilities. Is it difficult or impossible to say how much you pay into it in terms of your membership and the current structure? Is that something that you can't say?

**Mr. Jamie Milner:** I can tell you that it costs us \$1.60 a call. That's what it costs. And in terms of where we started, we started at \$2.80. Costs continue to go down as membership goes up, as technology advances. So for us it's very cost-effective.

**Mr. Rosario Marchese:** Right. I know we'll ask those who don't want to be part of this, but what is the deterrent for some companies not to take part, given that the damages and liabilities for everyone are so high? I guess you don't want to speak to that. It's political, I imagine. We'll ask them.



Some municipalities are nervous; they think there is a fee attached to joining. As far as we understand, in the American jurisdictions where they have it, there are no municipality fees. Is that your experience or knowledge of it?

**Mr. Jamie Milner:** That's how we're treating municipalities at this point.

**Mr. Rosario Marchese:** And the cost is borne by the participants, not by the callers and/or municipalities, as far as I know.

**Mr. Jamie Milner:** That's right.

**Mr. Rosario Marchese:** Thank you.

**The Chair (Mr. David Oraziotti):** Okay, thank you. Liberal caucus: Ms. Mangat, go ahead.

**Mrs. Amrit Mangat:** Thank you for the presentation.

My question is that if there is a One Call system, there will be one service provider, right? If there is one service provider, how can it be cost-effective in that sense of competition? I fail to understand.

**Mr. Guy Jarvis:** I think the utility locate system is not unlike the traditional utility business itself, in our view. Provision of natural gas, as an example, is a monopoly operation in our franchise area because that, in fact, has proven to be the lowest-cost manner in which to provide that service. Given the nature of the utility locate system and the large scale in terms of numbers that is going to be dealt with, and that it's close-linked to many, many utility businesses, we don't see that a competitive situation with more than one provider would make sense.

**Mr. Jamie Milner:** Having said that, within the call centre itself, we put those services out for bid to make sure that we're getting the lowest and best price. So not only do we do that, we review our costs and the way that we're delivering those services on a regular basis to try to drive improvements. And as I said, we started out at \$2.80 and we're at \$1.60. So we're driving the right behaviour with the right kinds of service providers for us.

**Mrs. Amrit Mangat:** But how can you keep the rates competitive?

**Mr. Jamie Milner:** Well, as I said, when we look at market-based services, that's where you actually look at getting competitive prices. So it's the services that are being provided to Ontario One Call that are the competitive aspect of it, and then it's all of the members looking at their interests as a board and so on that drives the best service and cost for that group, for everybody.

**Mrs. Amrit Mangat:** When you're saying all the members, what do you mean by the members? Municipalities? Cities? But not all the cities are supportive of this. There are municipalities, such as northwestern Ontario municipalities, that are not supportive of it. AMO is not supportive of it.

**Mr. Jamie Milner:** Well, we can't speak for them. However, our understanding is that things are changing. As people become aware of how services are delivered and what those services are, they're changing their minds. They're getting a better sense of what this really is and how it can be cost-effective for them.

I can tell you that as we bring on any municipality, the starting point is usually, "I'm not sure how this is going to be cost-effective." And then when we're able to work with them in terms of how we streamline those costs and look at how many locates they're going to get and so on, that's when things start to change, where it can actually be of value to a municipality as opposed to a perceived cost or a perceived barrier.

**Mrs. Amrit Mangat:** Thank you.

**The Chair (Mr. David Oraziotti):** Thanks. That's time. We appreciate you coming in today. That's time for your presentation.

## ROGERS COMMUNICATIONS

**The Chair (Mr. David Oraziotti):** The next presentation: Rogers Communications. Good afternoon. Welcome to the Standing Committee on General Government.

**Mr. Michael Jensen:** Thank you.

**The Chair (Mr. David Oraziotti):** As you've been listening, you have 10 minutes for your presentation. Any time you don't use will be divided among members for questions. Simply start by stating your name, whoever will be speaking, and start when you're ready.

**Mr. Michael Jensen:** Sure. I'm Michael Jensen, and I'll be presenting today.

Thank you for the opportunity to present the views of Rogers Communications. My name is Michael Jensen. I am the manager for central records and locates. I'm accompanied by my colleagues Michael Piaskoski, director, industry relations; and Jan Innes—

**Mr. Rosario Marchese:** Excuse me. Sorry to interrupt you. Try to speak a bit a louder and in that mike, for my benefit.

**Mr. Michael Jensen:** Sorry, okay—and Jan Innes, VP, government relations at Rogers.

As a major utility stakeholder with an extensive network throughout the province, Rogers has a wealth of experience providing timely and accurate locates for buried infrastructure. We are long-standing members of the Ontario Regional Common Ground Alliance, and we support and commend the work of the alliance. Because of our membership, we understand the interest in a One Call type of service. We have concerns, however, with the proposed legislation, and we are here today to provide our perspective.

Rogers uses the services of a company called Digline to process all call-before-you-dig inquiries for our network. Digline is an Ontario company established in 2002. It handles the excavation requests for Rogers as well as four other members. Upon receiving an inquiry, the Digline service desk will either give an "all clear" or send the request to the Rogers look-up desk for more detailed analysis.

Digline personnel are very familiar with our network and mapping standards. Using a sophisticated buffer, Digline is able to quickly and efficiently manage and pre-screen requests, providing a high number of all-clears and eliminating unnecessary inquiries where Rogers has



no facilities. To give you an indication of the volume of work, of the 246,000 locate requests we received in 2011, we completed 105,000 locates.

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Rogers Cable used to be a member of One Call. We decided to leave the service as Digline was a better option for our company and our residential and business requests for a couple of reasons. First of all, call centre staff of One Call do not have the same level of knowledge of and expertise in our industry. This will be particularly problematic if they are required to handle inquiries for over 400 utilities in the province. Also, as their buffer system is not as refined as Digline's, there will be numerous and unnecessary inquiries sent out to utilities like Rogers, even where we have no nearby facilities. Conversely, Digline is focused on our business and ensures maximum efficiency.

Secondly, Ontario One Call is also more expensive than Digline. As a not-for-profit organization, Ontario One Call has no incentive to rein in costs for its members. It is funded by charging for each and every function it performs. Digline, on the other hand, charges Rogers a flat fee per year.

Finally, under One Call, unlike Digline, member utilities have no control over the process and will not be able to drive efficiencies or reduce costs under a one-size-fits-all solution applied to all industries.

We have had a positive relationship with Digline. The service is efficient and, as a business operating in a highly competitive environment, Rogers appreciates the financial certainty of a fixed monthly fee arrangement. If this proposed legislation is implemented, there will be a substantial increase in our costs. We estimate that our current expenditures for locates will double, resulting in a significant financial burden.

One of the other features of this proposed legislation which we find extremely troubling is the requirement for all utilities to provide locates within five days of a request from Ontario One Call. Financial penalties may be imposed if this deadline is missed. The problem with this deadline is that if the actual excavation does not occur within 30 days of the locate, due to weather, workforce availability or poor planning, the locates become stale and have to be redone. Also, when there is a lengthy time between locates and excavation, the locates may actually disappear, as paint marks may be washed or worn away by rain or traffic. Utilities will have to return to the site and redo their locates. This is costly and inefficient.

Our experience suggests that it would be much wiser to time locates to the excavation date rather than the date of the request. Our current practice is to work with the excavators to provide locates at least two days prior to excavation. This ensures that the locate is fresh. It also provides little opportunity for it to be removed. Finally, it allows us to efficiently plan our resources, particularly during the heavy construction season.

We believe it makes sense to distinguish between tier 1 utilities, such as gas companies, and tier 2 utilities, such

as a cable or telephone company. Locates for tier 1 utilities can be a matter of life and death, where the consequences of unearthing and breaking a gas line can be catastrophic. The same issues are not associated with tier 2 locates.

Allowing a tier 2 utility to operate independently of mandated legislation by utilizing its own call centre or, alternatively, by leveraging available technologies to route calls from the Ontario One Call centre to its own call centre can work and meet the objectives of Bill 8. Mandating Ontario One Call membership or a five-day locate requirement will not increase safety, especially for a non-dangerous utility like a telecommunications network.

Unfortunately, this proposed legislation would not have prevented past problems such as the 2003 explosion in Etobicoke. In this instance, the contractor had called Ontario One Call for a locate. The issue was that the information on file was faulty. It was not because a locate had not been requested.

To conclude, we strongly believe that while this proposed legislation is well intentioned, the proposal to make participation in Ontario One Call mandatory does not account for these differences between tier 1 and tier 2 utility members. In our view, these distinctions should be central to any changes. As well, the proposals will result in more costs and reduced efficiencies for companies such as Rogers.

Thank you for allowing us to present our views regarding this proposed legislation. We look forward to answering any questions you might have.

**The Chair (Mr. David Oraziotti):** Okay, thank you very much for your presentation. NDP caucus is up first. Go ahead, Mr. Marchese.

**Mr. Rosario Marchese:** Thank you. You have a question?

**Ms. Sarah Campbell:** Yeah, I do.

**The Chair (Mr. David Oraziotti):** Ms. Campbell, go ahead.

**Ms. Sarah Campbell:** Can you elaborate a little bit on the buffer system? You said that Ontario One Call's buffer system wouldn't be as refined as Digline's. How is it that Ontario One Call wouldn't be able to adopt this?

**Mr. Michael Jensen:** How would Ontario One Call adopt this? I don't know if they could. It is distinct, where we use a buffer system, and they use street centre line and road network to locate an address for a locate request. Based on where that falls, and the street centre line, is how it dispatches or clears a locate request, whereas we use a buffer around the street centre line to process those calls. So it's a different process that both companies use.

**The Chair (Mr. David Oraziotti):** Further questions? Mr. Marchese.

**Mr. Rosario Marchese:** In America, where they've done this and this system became mandatory, in all of the American states, the damage caused by digging was reduced by 70% when the One Call system was introduced. And surely that involves the cable and telephone



companies, so they must have found a way to work together and they must have found a way to iron out whatever differences you were talking about so as to make sure that we avoid a patchwork of systems and have one system. Surely we can figure that out.

**Mr. Michael Jensen:** It's possible, but at the end of the day, it's about managing our process and efficiency and costs related to our business. We have an existing process in place that works very well and efficiently. People know who Digline is and who Rogers cable is, and it works well today.

In the US, I have to say that telecommunications companies are not mandated in all states to be part of One Call. Colorado is an example of that, where a telecommunications company is a tier 2 utility and they are not mandated to be part of One Call.

**Mr. Rosario Marchese:** Okay. So as far as you're concerned, the patchwork system works well because it works well for you.

**Mr. Michael Jensen:** Yes.

**Mr. Rosario Marchese:** And if it doesn't work for the others, too bad, so sad; keep it voluntary or mandatory, but keep you out?

**Mr. Michael Jensen:** All I can say is, it works well for us, sir. We're able to control and manage our processing costs.

**Mr. Rosario Marchese:** I understand that. But we can make it more efficient. The fact that it's non-profit doesn't mean they don't want to make it efficient, surely.

**Mr. Michael Jensen:** I wouldn't disagree with that.

**The Chair (Mr. David Oraziotti):** Okay, I'm going to stop you there.

Liberal caucus: Ms. Mangat, go ahead.

**Mrs. Amrit Mangat:** Thank you, Michael, for the presentation. I have two questions. Number one, if there will be one service provider, what would happen to the other providers' business? Number two, what would be the most fair way to select the best provider?

**Mr. Michael Jensen:** If it was made mandatory, our current Digline call centre, I would expect, would shut down. It would no longer be required.

**Mrs. Amrit Mangat:** So you mean they will be out of business?

**Mr. Michael Jensen:** I believe so, yes.

As far as selections in a mandatory process goes, the board of directors for Ontario One Call would need to RFP that to find the best cost-effective company to run that business. That's the only way that I can see that it will happen.

**Mrs. Amrit Mangat:** But how would they find out? What method would they adopt to find this out?

**Mr. Michael Jensen:** From a business process perspective?

**Mrs. Amrit Mangat:** Yes, that's right.

**Mr. Michael Jensen:** I believe it would be a detailed RFP and it would be a one-standard process required to suit all utility requirements in a One Call system.

**Mrs. Amrit Mangat:** Okay, thank you.

**Mr. Michael Coteau:** Quick question.

**The Chair (Mr. David Oraziotti):** Very briefly.

**Mr. Michael Coteau:** You said that there would be additional cost to your company if One Call is made mandatory. How much money are we talking about for Rogers?

**Ms. Jan Innes:** It's millions of dollars. We currently spend millions of dollars; it would increase by millions of dollars.

**Mr. Michael Coteau:** So if we implemented one stop right across the board, you're saying that your company—and you're not alone; there's probably other companies that would fit into the same category—would have to pay millions of dollars more to implement that new system?

**Ms. Jan Innes:** Yes, they would.

**Mr. Michael Coteau:** Thank you.

**The Chair (Mr. David Oraziotti):** Mr. McDonnell?

**Mr. Jim McDonnell:** Thank you. As a former employee at Bell, I used to work in the engineering company and see these cuts all the time. There's no shortage of them. I see some of the stats here, where cuts just last year took out, in this case here, 100,000 customers. Certainly in the days of fibre, I'm somewhat surprised that you're not interested in getting along with this, because a mayor of a township—and that was one of her issues: How do we handle locates? We weren't part of One Call.

Two summers ago, I was involved with some work at the fairgrounds and trying to figure out who to call for some work that we were doing. Of course, I was familiar with One Call, but then I found out that there's all these other numbers you have to call and try to figure out where they are. I can see, without some coordination—we show the figure's down 70%. It's a huge number that you're looking at in savings and costs of infrastructure. Whether it be tier 2 or not, providing phone service and communications, you're involved with 911 services. It may not seem to be a big issue, but for the private homeowner, or if you're a business, 911 can save lives. Isn't that the goal as well?

Your competitors are being involved with this as well, so there must be some savings in it, or at least a cost that's acceptable when you look at the overall public safety.

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**Mr. Michael Jensen:** I don't disagree that one number to call benefits an excavator; it makes it easy and simple. But the fact is, again, when we're a part of a large group of utilities and following one process, there is a cost impact to us. The fact is that our current call centre does operate efficiently. The community at large understands who Digline is and who to call from a Rogers perspective.

Yes, there were a couple of major hits to our network last year. Those weren't a result of somebody not calling in for a locate request; that was other process issues that caused those damages. Generally speaking, the amount of damages we have on our network are very, very low throughout the year.

**Mr. Robert Bailey:** Do we have a minute?



**The Chair (Mr. David Oraziotti):** Yeah, go ahead, Mr. Bailey.

**Mr. Robert Bailey:** I just had one point to make. Thank you for your presentation today. We've heard from a number of fire chiefs and people in the fire departments that have expressed support for something like Bill 8, a One Call system. Do you agree, on the record, with the fire chiefs and firefighters that it would enhance public safety, or it won't?

**Ms. Jan Innes:** Sorry. In the—

**Mr. Robert Bailey:** One Call—are you disagreeing with them?

**Ms. Jan Innes:** No, we are supportive of the concept, but we have some issues with this bill. We also think there's perhaps a way of having the various call centres work together.

**Mr. Robert Bailey:** Okay. Well, we could do that in regulations. So you support the concept, but maybe with some machinations to it. Would that be fair?

**Ms. Jan Innes:** Yes.

**Mr. Robert Bailey:** Okay.

Do we have a little time yet, Chair?

**The Chair (Mr. David Oraziotti):** Go ahead if you've got something brief.

**Mr. Robert Bailey:** Okay. You talked about the cost, and the other presenter said that their cost started at \$2.80 a call and they've driven that down now, through efficiencies and calls, to \$1.60. Is it your presentation that you don't think that they could do that again as part of One Call—that we could drive the cost down further, you know, if you joined up and we made these machinations to make it fit?

**Mr. Michael Jensen:** There's no guarantee that that could actually work. I can't say for sure. And once I jump from one call centre to another, I'm stuck there. It's very difficult to go back.

**Mr. Robert Bailey:** Okay.

**The Chair (Mr. David Oraziotti):** That's time.

**Mr. Robert Bailey:** Okay, thanks.

**The Chair (Mr. David Oraziotti):** Thank you for coming in. We appreciate the presentation today.

## DIGNORTH

**The Chair (Mr. David Oraziotti):** Our next presentation is DigNORTH. Good afternoon. Welcome to the Standing Committee on General Government.

**Mr. Keith White:** Thank you very much.

**The Chair (Mr. David Oraziotti):** You've got 10 minutes for your presentation, so if you can just state your name for our recording purposes, and go ahead.

**Mr. Keith White:** My name is Keith White. I'm the business development manager for DigNORTH. We're based in Dryden, Ontario. My company was formed in 2010 to answer a call, address a need and fill a void in an industry not being served by existing providers, especially in northern Ontario, and we oppose this bill.

DigNORTH has created a damage prevention initiative based around the acronym CBYD, "call before you

dig." Its program is second to none, with an extensive education and awareness model geared to the digging community of Ontario and focusing on public safety while protecting the buried infrastructure of our province.

We have, in a short period of time, achieved more than anybody else in the industry. We have gained the respect, confidence and trust of contractors and the admiration of the industry. Senior members of our competition and various safety organizations have complimented me personally on the business model for its ease of use—an incredible compliment—and I'm so proud to be here today.

DigNORTH is the ultimate grassroots, true, transparent, single-point-of-contact utility locate notification service, designed exclusively for the digging community, offering a service to make one call, and one call only, to obtain all their utility locates. This unique system allows contractors to make just one call and then we do the rest. We notify every utility and call centre under the geographic footprint of the excavation site, on their behalf, of their intent to dig. It's beyond simple and it works.

My company is over two years old. Its sister company, Digline, is the call centre for Rogers, as you've just heard, and is nine years old. Our founding company, Cable Control Systems Inc., affectionately known in the industry as CCS, has been a field leader in utility contracting, locating and call centre services for over 26 years—very much not the Johnny-come-lately company as previously labelled in this process.

Until we reached out to Mr. Miller, we were not even recognized as having any sort of opposition to both the previous bill and the current bill, Bill 8, even after sending thousands of letters to MPPs outlining our concerns, including a series of letters sent to all 444 municipalities, to their mayors and councillors. I have 24 pages of screen captures to show the MPP deliveries alone, if anybody is interested to have them sent to them.

All three of our companies are members of the ORCGA, and I was a very active member of ORCGA. Personally, I sat on all 13 geographic councils and was the past co-chair of their education committee. As an ORCGA member in their so-called One Call stakeholder category, we were quite surprised not to be contacted to participate in Bill 180 or Bill 8, especially as two of its members just happen to be One Call centres.

As I mentioned earlier, we oppose Bill 8.

Bill 8 does nothing to address the act of calling prior to excavation.

Bill 8 creates a monopoly, is in direct violation of the federal Competition Act, and is not in the best interests of the digging community. This bill will put my staff and I, along with the staff of Digline and every municipality that has locate requesting departments, out of work, and there's no excuse for that.

Bill 8 goes against the Ontario Open for Business policy.

Bill 8 is named after a corporation. Why? How can you build an education and awareness model around the name of a corporation when you're trying to make the



most impact towards safe digging? Why is it not called the Call Before You Dig Act? Even Mr. Miller and Mr. Bailey agree that the name has more relevance to what we are trying to achieve here.

By mandating every utility and municipality into the corporation, all you're doing is creating a super database, and that will be fragmented and time-consuming to implement. It will put unnecessary stress on municipalities to conform, at a time when funds are hard to come by. It will raise taxes to comply. There has been no due diligence, no discussion, with call centres or consultation with municipalities on such an important issue, and that is unacceptable.

Not all municipalities have electronic records; some have as-built drawings and, in some cases, card files, or even the "guy that knew the guy that knew the guy" scenario. How will a third party even read these records and distinguish the correct information? Are we asking for trouble? The safest way is to let those communities handle their own lookups and assist them down the road to transition into a universal system.

Bill 8 has a name that will confuse the initiative of "call before you dig."

Bill 8 will be weak to market; it has no catchy hook line—and to the layman, one call for what?

A serious look at the validity and purpose of Bill 8 needs to be undertaken. If the content and name are misleading and confusing, what chance do we have to make an all-encompassing piece of legislation?

Bill 8 has put the industry back on the fence and public safety on hold.

Just to clarify the April 4 standing committee comments, the city of Thunder Bay is still very much an active member of CBYD, and we are about to launch the 2012 CBYD and Dig Safe campaigns. On behalf of the CBYD members and the local communities we represent, we oppose Bill 8 and have a solution.

No one in this room or province wants another digging disaster in Ontario. We fully support a "call before you dig" act, one that forces anyone who puts a shovel in the ground to call prior, one that provides heavy penalties to those who do not dig safe and utilities that do not provide accurate mapping—even mandatory reporting of hits and damages for the digging community. Everyone needs to be accountable for their actions.

We were so passionate and sure of our program, we even gave it away for free for the first year. The CBYD platform by DigNORTH does not discriminate. We patched our members' calls to everyone, even our competition, and they refused to take our calls on behalf of their members, to which they would have made a minimum of \$5.45 per call.

This is a selfish and very dangerous act. What gives them the right to make such a life-changing decision? Even citing liability as the reason—this was later dispelled by senior management at ORCGA. Actually, isn't any call better than no call?

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Ontario One Call is a self-proclaimed provincial call centre, not a government-appointed one, and has misled

the industry for many years. In my presentations, I now refer to them as Ontario "one of the calls." I believe, as in the US system, we can all work together to deliver maximum public safety and damage prevention.

DigNORTH has branded its program the "Ontario call before you dig program" with the program-specific phone number of 888-ONT-call before you dig, utilizing the acronym CBYD and the website cbyd.ca.

DigNORTH's "call before you dig" program combined with public works and contractor awareness sessions is well on its way to making CBYD a household name. We have aligned ourselves with the Métis Nation of Ontario and First Nations housing, bringing awareness to aboriginal communities.

CBYD is the perfect marketing brand to transition a viable option for the province of Ontario to facilitate the ultimate "call before you dig" initiative for contractors and homeowners alike with zero expense to the province. We offer efficiencies to the contractors, municipalities and utilities that enable them to make their requests and be back in the field without the unnecessary office down time, and they only make one call. The contractors are prepared to pay for this service and CBYD is the contractor voice in the industry.

I am offering the services of DigNORTH as a solution to this critical initiative for the true One Call system, as the USA 811 model, for the province of Ontario and to offer a vehicle to have the Canadian 811 system pointed to CBYD.

I am offering one number for public safety and damage prevention for homeowners and contractors to call. Then we do the necessary calling on their behalf and report directly back to the caller. A national number is in place to facilitate a national "call before you dig" platform of 1-855-CDN-CBYD and our organization is scalable and sustainable with call centres from Sault Ste. Marie and other major centres standing by to assist.

The initiative will utilize the DigNORTH mobile education awareness unit to promote the program throughout the province. We have put over 270,000 kilometres across the entire province of Ontario with an 18-wheeler mobile education unit and special events promo van, not to mention the thousands of kilometres flying to promote our initiative. MPP Michael Gravelle cut the ribbon at our launch and praised the program because it's simple, it works and it's what the contractors have asked for—

**The Chair (Mr. David Oraziotti):** Mr. White, thank you. That's 10 minutes for your presentation. We need to move to questions now. I'm going to move to the Liberal caucus so they can ask a few questions of you. I appreciate your presentation.

**Mr. Keith White:** No problem.

**The Chair (Mr. David Oraziotti):** Ms. Mangat, go ahead.

**Mrs. Amrit Mangat:** Thank you for the presentation.

**Mr. Keith White:** You're welcome.

**Mrs. Amrit Mangat:** My first question is, how many people are working in your company?



**Mr. Keith White:** We have two companies that can share off each other's resources. We have over 30 people right now, and we have a pool to choose from, from our sister company as well. So between area code routing—we can actually make any call accessible from northern Ontario into southern Ontario.

**Mrs. Amrit Mangat:** Okay. So it means if there is only one service provider, those people will go out of work; right?

**Mr. Keith White:** It will put us out of business. It will put anybody that handles a call centre for utility locates out of work, for sure.

**Mrs. Amrit Mangat:** Okay. Thank you.

Can you explain the US 811 model? What is that? You were talking about a USA 811 model for the province of Ontario.

**Mr. Keith White:** It's a single number to require utility locates, and then the number's routed to the nearest call centre in the state where the call originated from. Not all states have one call centre. Some states have multiple call centres.

**Mrs. Amrit Mangat:** Oh, they have multiple call centres, one number?

**Mr. Keith White:** Yes, exactly.

**Mrs. Amrit Mangat:** Okay. Thank you.

**The Chair (Mr. David Orazietti):** Thank you. Questions, Conservative caucus? Mr. Bailey, go ahead.

**Mr. Robert Bailey:** Thank you for your presentation today, Mr. White. The concept of your business—it's a for-profit company that charges excavators to make the calls on their behalf?

**Mr. Keith White:** To offer the contractors efficiencies so that they can make one call and get back out in the field straight away.

**Mr. Robert Bailey:** Ontario One Call, say, they have over 160 including Bell, Enbridge, Union Gas, Hydro One and a number who also sit on their board. Could you give us a list—even if not right today—provide the clerk with a copy of the list of your members and the information of who sits on your board of directors—

**Mr. Keith White:** Absolutely. It was part of the MCS One Call to Dig project. The report's already public knowledge.

**Mr. Robert Bailey:** Okay.

**The Chair (Mr. David Orazietti):** Anything further? Mr. McDonell.

**Mr. Jim McDonell:** I know there's a lot of legislation, and there's no question that most contractors are aware of the law about having to call. Our issue really is having something across the province so our property owners, who really don't get involved with this very often, can call and it's looked after and not have to worry. You've gotten partway there, but as you see across the province, this is not the case.

We're looking at making something so that no matter where you are or where you move from, you'll know where to call and it's looked after. Any comments on that? I mean, we're looking at the province of Ontario, not just certain areas.

**Mr. Keith White:** One of the things with the larger contractors that move out of their own geographic area—with the program that we offer them, when they move into another municipality, we have that data to offer to them so they don't have to go looking for it. I notice that when a municipality comes on board with our program, all the citizens of that municipality get the call for free anyway, so we're covering the municipalities and their citizens at the same time.

**Mr. Jim McDonell:** There's a lot of work to do in this bill as we go through it. Nothing segregating the province into one or two or three areas has been discussed yet, but it's something that's very much a possibility. What we're really looking at is having one call to look after all the utilities, no matter whether you're Bell or Rogers or Enbridge. It doesn't matter. You call and it's looked after. So it gets away from these people who know that there might be some telephone there, but they never think of the gas or they never think of the water. That's really—

**Mr. Keith White:** It's about public safety, not big business.

**Mr. Jim McDonell:** Yes. Okay.

**The Chair (Mr. David Orazietti):** Okay, thank you. We need to move on. Mr. Marchese, a question? Ms. Campbell, go ahead.

**Ms. Sarah Campbell:** So what are your hours of operation? Are there ever any times that you're closed?

**Mr. Keith White:** No, not at all.

**Ms. Sarah Campbell:** Okay, so 24/7?

**Mr. Keith White:** Yes.

**Ms. Sarah Campbell:** Okay. I'm wondering about the extent of the service that you provide. How do you access the infrastructure information? Do you call the utility each time or do you have a large data bank?

**Mr. Keith White:** We have a large database. When we bring a municipality on board, we liaise with their public works department, engineering, to gather the information before we go live. That becomes part of the database. The more municipalities we bring on board, the larger the database gets and the more beneficial it is to the contractor as they move across the province looking for work.

**Ms. Sarah Campbell:** In your presentation, you mention the fact that there are some smaller municipalities and townships, especially in northern Ontario, that may not have on paper where all of their infrastructure is located. Do you think that you can respond to some of those challenges better than, say, One Call? I mean, you kind of mentioned that, that sometimes it's a guy who knows a guy.

**Mr. Keith White:** Exactly, and that has been the biggest strength of the CBYD program: knowing the guy who knew the guy, the old retirees, the engineers who are no longer needed but who were around when the infrastructure was created and who know all the idiosyncrasies of the area. Absolutely. It's all about data mining, but it's also establishing the personal relationship with the municipalities to gather that.



**Ms. Sarah Campbell:** And that information is in your database?

**Mr. Keith White:** Absolutely.

**Ms. Sarah Campbell:** Okay. I just have one other question. You mentioned that you have about 30 employees. Where are they working out of?

**Mr. Keith White:** Out of Dryden.

**Ms. Sarah Campbell:** Out of Dryden?

**Mr. Keith White:** Yes, out of Dryden. We've been there now since January 2010.

**Ms. Sarah Campbell:** One more question if I could squeak it in?

**The Chair (Mr. David Oraziotti):** Very briefly.

**Ms. Sarah Campbell:** Who pays? Your members—how is that structured?

**Mr. Keith White:** We charge the contractors to be members of the CBYD program, because it's the efficiencies that we're offering them, and we're doing the work on their behalf, so they only have to make one call. We do everything else on their behalf. It's up to us to do the due diligence and get the numbers for them.

**Ms. Sarah Campbell:** Municipalities don't pay?

**Mr. Keith White:** Sorry?

**Ms. Sarah Campbell:** Municipalities don't pay?

**Mr. Keith White:** Municipalities—we have a two-tier system for municipalities, from the point of view of joining as an ambassador for public safety or, as in the case of the city of Thunder Bay, a full-blown member, where we facilitate their mapping and do their lookups and everything else. That's what we're trying to do across northern Ontario to have the same platform for everybody.

**Ms. Sarah Campbell:** Thank you.

**The Chair (Mr. David Oraziotti):** Okay, I need to stop you there. Thanks. That's time for your presentation.

**Mr. Keith White:** I really appreciate it.

**The Chair (Mr. David Oraziotti):** We appreciate you coming in.

## UNION GAS

**The Chair (Mr. David Oraziotti):** We're going to move to Union Gas as our next presenter. We're just waiting for one other individual, so we'll wait until—

**Mr. Robert Bailey:** Aecon's not here?

**The Chair (Mr. David Oraziotti):** We're just waiting for one other individual to arrive, so we'll do that.

Good afternoon, and welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation. Any time you do not use will be divided among committee members for questions. You can start simply by stating your name, and you can proceed with your presentation when you're ready.

1650

**Mr. Steve Baker:** Thank you, Mr. Chair, and thanks to the committee for providing us the opportunity to speak to you today. I'm Steve Baker. I'm the president of Union Gas, and with me is Mike Shannon, our vice-president of distribution operations.

Over the next 10 minutes, we're going to give you a brief overview of who we are and how integral safety is to everything we do. We've prepared a take-away package for you that we'll be referring to from time to time. It contains more detail than we can cover today, so I'd urge you to look over it when you have some time.

Let me start by telling you a little bit about Union Gas. We store, transport and distribute natural gas. We're actually the second-largest natural gas utility in the country. We've been doing business in the province of Ontario for more than 100 years. Our distribution business serves over 1.4 million residential, commercial and industrial customers in more than 400 communities across Ontario, and we do this through approximately 67,000 kilometres of transmission and distribution pipeline. In perspective, that's more than one and a half times the circumference of this earth. We have assets of almost \$6 billion and we employ 2,200 workers across the province.

For some time now, we've been working to transform our organization to a zero-injury, zero-illness culture, and safety is a strong value supported by all of our employees. We believe that by understanding safety risks and taking steps to eliminate or reduce these risks, we can make a real difference in the communities where we live and work. That's why we support important community safety initiatives, including over \$600,000 to support seven Children's Safety Villages across Ontario. It's why we've got detailed, company-wide emergency response plans. It's why we work hard with all emergency responders in the communities that we serve. It's why we meet or exceed all safety codes for the construction and operation of our pipelines.

While we maintain the highest standards in our own operations, we can only do so much about what others do, and that's why our overarching message is simple: Safety cannot and should not be voluntary. The best way to protect Ontario citizens from injury and even death, and to increase productivity and cut costs, is to make it mandatory for all utility asset owners and excavators to be part of a single One Call system to locate all underground utility lines before digging. As you've heard, this has already been done in all 50 US states.

It may surprise you—again, as you've already heard—that our largest risk to our pipeline assets are third parties that dig and hit our lines. In 2011, of the nearly 1,100 incidents involving damage to Union Gas pipelines, almost 40% were due to third parties who did not call before they began to dig. The fact is, they simply didn't know where they were digging and what exactly was underground. Another 57% were due to imprudent digging, such as not following the line locate marks. In fact, third party damage to underground utilities has cost customers and municipalities in this province tens of millions of dollars a year, and these costs can be reduced dramatically.

I want to be clear: Again, as you've heard from our friends at Enbridge, this is not about our bottom line. We recover the cost of responding to these incidents through



our ratepayers and our rates, similar to municipalities recovering their costs through property taxes. It's not only about property damage or lost productivity, both of which are the side effects of an non line locate. But this bill is about safety, the safety of our employees, our customers and Ontario citizens in general, and we believe the risk of serious harm and even death is too significant for legislators to ignore any longer.

I want to give you a quick idea of what happens, for example, when a contractor is digging a ditch and accidentally hits our line. Emergency services such as fire, police and EMS typically get a call through 911 and they're first on the scene. We are then typically informed of the incident by the fire department. Our workers arrive to help identify the source of the problem and help local fire and police ensure the emergency site is clear of anyone whose safety could be at risk. Surrounding homes and businesses might need to be evacuated, for example; roads might need to be closed for traffic. It can take hours or days for us to restore gas service, representing thousands of people-hours, because we must visit each home twice in the event of an incident. First, we need to turn off the gas meters in the affected area so that we can safely repair the pipeline, and second, to turn them back on, we have to enter every customer's house in order to relight all of the appliances.

When all is said and done, the total cost of an incident can reach into the hundreds of thousands of dollars, especially when you consider loss of income and repair costs, among other things. But far more important than the money and the time is the fact that every incident puts lives at risk. I want you to consider one recent incident which is contained in the presentation package. In Paris, Ontario, last July, a homeowner was doing a simple chore: driving a metal stake into the ground to reinforce a wooden fencepost. Without a call to locate the underground utilities, he unwittingly drove that post through a natural gas line, almost completely severing it. Natural gas from the damaged line migrated its way into the basement of the home and burst into flame. The home was extensively damaged. Neighbouring homes were also evacuated while the investigation was under way.

This is one small example of how here in Ontario, we've been pretty lucky so far, but the consequences of incidents like this have the potential to be catastrophic considering that these incidents happen, as I said, over 1,000 times a year on Union Gas utility infrastructure alone.

I'd now like to turn things over to Mike Shannon, who will use our remaining time to talk a little bit more about our commitment to Ontario One Call.

**Mr. Mike Shannon:** Thank you to the committee for allowing us to make a presentation to you today.

First, a bit of history on Ontario One Call: Ontario One Call was formed in 1996 by Bell Canada, Union Gas and Enbridge Gas Distribution. It was loosely built on the city of Hamilton's BUD, or "before you dig," model, with the city of Hamilton joining thereafter.

As some of the province's largest privately owned utilities, we saw that damage to infrastructure due to no

locates was really high, and we wanted to do something about it. We came to the realization that utilities operating in silos didn't help the broader public and decided that only a fully integrated approach would work.

We fundamentally believe that every Ontarian should have free and immediate access to information regarding our underground infrastructure. Today, I'm proud to say that Ontario One Call has grown from just the three of us—Bell, Enbridge and Union Gas—to more than 170 utility members which include Hydro One, Ontario Power Generation, Toronto Hydro and Telus, along with 40 large and small urban and rural municipalities such as the city of Toronto, the town of Essex, the town of Fort Frances, the city of St. Catharines and the village of Point Edward, just to name a few.

Ontario One Call's state-of-the-art call centre, which employs 75 people in Guelph, handled more than 700,000 locate requests last year and sent out almost 2.7 million locate orders to member utilities. The call centre operation is contracted out to Accu-Link. That's a staggering number because Ontario One Call, which is non-profit, operates 24 hours a day, 7 days a week, 365 days a year, and it can process requests in minutes. But today, it is only voluntary, and the risks remain high. To ensure that the system works to the benefit of all Ontarians, we need all utility asset owners to participate. That's why we are such passionate advocates of Bill 8.

I also want to note that those participating in the existing system are listening to the concerns of those who have been hesitant about joining. I'm a member of the board of directors of Ontario One Call. Speaking from a Union Gas perspective, I can assure you all that this initiative is not about money. We want full participation because it makes sense, and it makes the system work better. We support the position that smaller utility members shouldn't have to bear much, if any, financial cost to operate the system. That is why the current board of Ontario One Call is supportive of exempting utilities that receive few annual calls from paying locate fees altogether, and our governance model is evolving to a multi-stakeholder board to ensure that all member voices are fully represented on the board.

**The Chair (Mr. David Oraziotti):** I'm going to need to get you to wrap up very briefly. We need to move on to questions.

**Mr. Mike Shannon:** So as Steve said, we're taking up this cause for many reasons. First of all, we're doing it for safety. The second reason is because we know it can save municipalities and businesses tens of millions of dollars a year. Finally, we're doing it because it will be a much more efficient system by having people only have to make one call. Thank you very much.

**The Chair (Mr. David Oraziotti):** Thank you for your presentation. Conservative caucus: Mr. Bailey, go ahead.

**Mr. Robert Bailey:** Yes, thank you, Mr. Baker and Mr. Shannon, for being here today. I think it always—I worked at a large industrial before. Safety starts right at



the top, and it's always impressive when the senior people are involved in the safety programs, like Enbridge and yourselves and others that take the lead. So I wanted to commend you on that.

1700

There have been some concerns raised at the committee about this monopoly call centre—not my words, others'—that would put other competitors out of business. How could you assure the committee that there would be something done where you could take into account some of the competitors and make sure there's room in the call centre for everybody? Can you address that, Steve?

**Mr. Steve Baker:** Yes. As Mike mentioned, the call centre today is contracted out to Accu-Link, so there is a competitive bidding process in terms of the services that are provided. As we go forward and we get more municipalities and utilities on board, and there's just a greater volume of activity, I think it's quite possible that you could see enough room for another call centre, potentially in the north, to bid for the service, to provide it. I don't think we're saying that it necessarily has to be only one call centre for all of the province of Ontario; that's not the way it works in the US. I think there's openness in that model to look at that going forward.

**The Chair (Mr. David Oraziotti):** We need to move on. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Thank you for your presentation. I agree with everything you've said. I'm a big supporter of this One Call system. I didn't quite understand where some of the Liberal questions were coming from, but now that I've heard from DigNORTH, I understand, and now that I've heard from Rogers, I'm beginning to get a better understanding of why they have certain questions like that. Part of what I hope we're trying to do is to solve some of the questions that have been raised.

I am hopeful that Rogers's costs would not be as high as they claim as we move to this system. I'm hoping we'll get all three parties' support. I understand where DigNORTH is coming from. I didn't get a chance to chat with the person, but that's a for-profit company and they're going to be losing business. So I feel for them and I understand that. I am hopeful that some of their workers would be employed in this non-profit One Call system—and as you just indicated, it may not have to be just one centralized system, but rather a regionalized system working under one umbrella, as a way of hopefully making sure that those people with such experience get work.

So I don't know that I have questions, but I'm beginning to understand the concerns that other people are raising. Hopefully, we can accommodate some of those concerns in some way as a way of dealing with them. I don't know whether you have a comment about that.

**Mr. Steve Baker:** I'd just make one quick comment: I think one of the big differences is that with Ontario One Call they have access to all the mapping and all the utility infrastructure at their disposal, so when you call, they know your location, they know what infrastructure is

there. I think that differs from the DigNORTH model, where really, you're calling in to DigNORTH and they're in turn calling out to all the various utilities to say, "Do you have infrastructure in that place?" I think when you look at response time and ability to respond quickly, whether it's a residential customer and excavator for locates, that's a major difference in terms of the model and the structure.

**Mr. Rosario Marchese:** That was another important question we wanted to ask DigNORTH, because as I understood it, they just make calls to the utility companies, and that's a big difference.

**The Chair (Mr. David Oraziotti):** Thanks. Mr. Marchese, we need to move on. Questions? Mr. Coteau.

**Mr. Michael Coteau:** Thank you for your presentation. First, I have a quick question. As a founding member, you probably understand the governance structure of One Call well. How does the governance structure currently work? How many members are on the board, and what organizations represent those board positions?

**Mr. Mike Shannon:** Thanks very much for your question. Right now, with the current structure, there are three board members. There's Union Gas, Enbridge Gas Distribution and Bell. But we're right now in the process of migrating to a broader structure, where we're actually going to have 12 board members, and those board members would come from small, medium and large companies in the pipeline sector, in the telecommunications sector, in the electrical sector and in the municipal sector.

**Mr. Michael Coteau:** With 12 members, would you be open—and I know you probably can't speak on behalf of everyone, but as a Union Gas representative, would you be open to having, perhaps, a municipal representative or someone who's publicly appointed to a board like that?

**Mr. Mike Shannon:** At this point in time, as I mentioned, we plan to have three representatives from the municipal sector.

**Mr. Michael Coteau:** From the municipal sector? Okay.

**Mr. Mike Shannon:** Absolutely.

**The Chair (Mr. David Oraziotti):** Thank you. That's time for your presentation. Appreciate you coming in today.

#### AECON GROUP INC.

**The Chair (Mr. David Oraziotti):** The next presentation: Aecon Group, Ms. Smith. Thank you and welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation. Any time you don't use will be divided among members of the committee for questions. Just start by stating your name and you can start when you're ready.

**Ms. Katelyn Smith:** Great, thank you. My name is Katelyn Smith and I'm representing Aecon. I'm here in lieu of Eric MacDonald.

I would like to first of all start off by thanking you for having me to present. I know that Bill 8 will mean



obvious significant help for Aecon as far as financials go, clearly diminished administrative fees when we have to process all the locates. That is apparent. But I want to set that aside; that's not why we're here. I'm not here to talk about dollars and I'm not here to talk about the cost savings for an excavating company, for a construction company; I'm here to talk to you today about safety, because that's our core value. It's what we truly believe in and it's what we as managers try to bring down to our front line workers. We try to offer the safest working day for our excavators, for our front line groups.

Now, we do everything we can as far as training, understanding how to read locates, how to provide that to our workers, understanding when the locates expire, when they need to get new locates. But I want you to walk through with me a day that one of our excavators, one of our crews, one of our foremen have to go through.

I'm talking about areas such as you heard before where there are 13 different calls—that's 13 different calls—to utilities to get locates. Now you're giving a crew a package of 13 different locates, 13 different templates that they've got to look through, some of which might not even have takeoffs or measurements, and you're asking them to stick a shovel in the ground? You're asking them to locate around gas, live mains. You're asking them to locate around hydro. You're asking them to try to understand an entire package of 13 different locates, 13 different templates, and stick a shovel in that ground, put their lives at risk, put the lives of the public at risk because we don't have a One Call system yet. We don't have a system in place where we can just get one template, one locate package, one simple solution to getting our employees working safely. That's what we need. We have 1,200 employees in our utilities division alone supporting this bill and we need your support to get this, because we need to work safely every day.

I'm speaking from a company point of view, I'm speaking from a safety point of view, but I'm also speaking from a personal point of view. My significant other goes to work and he is an operator. Now, he doesn't work for a company as in tune as Aecon into training. They don't provide training on how to read locates, on which areas need what utilities. They won't know necessarily what utilities they're supposed to have in their work package. That concerns me every day. So I want to speak to you on behalf of the public. I want to speak to you on behalf of the wives, the husbands, the mothers who are sending their loved ones into the field to work on those front lines, who we're trying to get to work safely, and we need you guys to help us to get them to work safely. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. First up, NDP caucus. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** One of the attractive things about the One Call system is that it would operate 24 hours a day, seven days a week. That's important for the different sectors but, as well, individuals. I don't think we can get that in any other system, can we?

**Ms. Katelyn Smith:** I would agree that, no, you need to have a One Call system.

I talked on behalf of what it takes for a construction company but now I want to put it into your hands. Do you know what utilities are on your property? Do your kids know what utilities are on their property, or your parents? Do they know? We need to have a One Call system, not just for companies, but for digging in your own backyard.

**Mr. Rosario Marchese:** We agree with that. Part of what we're concerned about is the questions that other people are raising, because we know that 60% of Ontario's population is covered by the current members, so that's a big majority of people that are on it. The question is how we involve the rest of the population and how we address the other questions that other people have been raising.

1710

We agree with you, safety is critical. There are savings to be had, lives and money, and if we can make this easier for others who are not involved, I think that would make this venture a little more possible. Hopefully, we'll deal with some of the questions that others have raised as we go. Thank you.

**Ms. Katelyn Smith:** Thank you.

**The Chair (Mr. David Oraziotti):** Okay, thank you. Liberal caucus, Ms. Mangat.

**Mrs. Amrit Mangat:** My question is, what does your group do? What kind of service do you provide?

**Ms. Katelyn Smith:** Aecon is Canada's largest publicly traded construction company. We do everything from—my division in particular is utilities, so we install gas pipelines, hydro, telecommunications. Now, that's just one division of Aecon. We do buildings, we do roads, we do mining, industrial nuclear plants. We are a one-solution, vertically integrated construction company. So this doesn't just affect our one division that I represent; it affects all of Aecon across Canada.

**Mrs. Amrit Mangat:** So are you in support of One Call centre or One Call system?

**Ms. Katelyn Smith:** Both.

**Mrs. Amrit Mangat:** Both?

**Ms. Katelyn Smith:** Yes. We need a One Call system and we do support the One Call centre.

**Mrs. Amrit Mangat:** Don't you think there is a difference between One Call centre and One Call system?

**Ms. Katelyn Smith:** Why would you say there's a difference?

**Mrs. Amrit Mangat:** No, you have to answer me. Why? Why do you support both? In my opinion, it differs.

**Ms. Katelyn Smith:** Okay.

**Mrs. Amrit Mangat:** Right? In One Call system, it says there will be multiple service providers, said by DigNORTH. In One Call centre, there will be only one service provider. Why do you support both and how do they differ?



**Ms. Katelyn Smith:** Okay. Well, how I would say they differ is that, right now, we have a One Call centre, but there is the possibility of making it a One Call system as we have greater—like the previous speaker mentioned, we might be needing to call in other systems to build that, right, because you're going to need to increase the capacity.

**Mrs. Amrit Mangat:** So you are not clear which business model you will adopt, right?

**Ms. Katelyn Smith:** Currently, we support the One Call centre with our company. I believe it may have to grow to be a One Call system.

**Mrs. Amrit Mangat:** Okay. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Ms. Scott, go ahead.

**Ms. Laurie Scott:** Thank you very much for coming here today and appearing before the panel and with such passion and knowledge of your industry. We appreciate that.

I think safety is foremost of why we're here, and there are some details—One Call system, the centres, you know, things that politicians can work out. I think the overlying principle of the bill was that they needed to develop a system so that it was easy.

Just to verify, you said it was 13 calls that you possibly make, on average, whenever you go to dig?

**Ms. Katelyn Smith:** That's one specific area. For some areas, depending on what utilities are in the ground, there are less calls, but that's probably one of our more difficult areas—about 13 different calls to the utilities.

**Ms. Laurie Scott:** Right, and have you had an accident where employees have been hurt or people have been hurt in a locale?

**Ms. Katelyn Smith:** We've had some utility hits. Due to our training, though, we're significantly under the industry standard for utility hits. But yes, it's always a fear that somebody's going to get injured and somebody's going to get hurt. That's what keeps managers up at night, and that's, quite frankly, what keeps probably the workers up at night.

**Ms. Laurie Scott:** For sure. We've heard from different people today. It's just interesting that the safety issues is what we're trying to do, the how-tos. Whether there are two different centres or not, I think we can work out, but I think there's unity in the fact that we need a One Call system for safety purposes, for the ease of business. For doing business, it just makes total sense.

I appreciate you coming here today, and is there anything else that you want to add, a statistic or anything from your company?

**Ms. Katelyn Smith:** Well, my one statistic is, we have over 1,200 people supporting this, who have signed this. We're all on board and we're really looking forward to seeing this come through. But other numbers off the top of my head—sorry, I didn't prepare any presentation, just speaking from the heart from our company.

**The Chair (Mr. David Oraziotti):** Okay, thanks. I understand Mr. Bailey has got a brief question.

**Mr. Robert Bailey:** Yes, very brief. Thank you for the presentation, Ms. Smith. I think you've stated in a clear and succinct manner what a lot of other people with maybe more background on that didn't make in their presentations. You've got a significant interest, like you said, your loved one especially, and no one has touched on that, so I appreciate you bringing that up.

I'm very familiar with your company. They worked with me when I was in industry before, and I know you do have a good safety record.

In your opinion, as we move forward, as long as we move to this One Call, whether you want to call it a "system," an "operator," whatever, at the end of the day, your significant other, my significant other, anyone in this room who has family, they're going to be far safer, whether we have two call centres—one in the north and one in southwestern Ontario here. Is that your opinion, that at the end of the day, we'll be safer?

**Ms. Katelyn Smith:** Yes, absolutely. Absolutely, no doubt. If we can make this clear and concise, and we can communicate it to our crews, they will be able to work safer, day in and day out.

**The Chair (Mr. David Oraziotti):** Thanks for your presentation, and thanks for coming in today.

Folks, given we've got just a little bit more than 10 minutes on the clock, and to be fair to the next presenter so that they can get their full presentation in, we'll come back immediately following the vote in the Legislature to continue with presentations. The next presentation up is T2 Utility Engineers. I understand those folks are here.

Okay, folks, the committee is in recess until we vote in the Legislature in about 10 minutes. Thanks.

*The committee recessed from 1716 to 1731.*

## T2 UTILITY ENGINEERS INC.

**The Chair (Mr. David Oraziotti):** Okay, folks, let's resume here and try to get things moving. Our next presentation is T2 Utility Engineers. Good afternoon and welcome to the Standing Committee on General Government. You've got, as you know, 10 minutes for your presentation. Time you don't use will be divided among members. You can just start by stating your name, and you can proceed when you're ready.

**Mr. Lawrence Arcand:** Great, thank you very much. My name is Lawrence Arcand. I'm the president of T2 Utility Engineers. Hopefully, I'll give you a bit of an introduction about myself, about our company and about why we support Bill 8.

As I said, I'm a professional engineer with 15 years' experience working in the industry. I'm a member of the board of directors, and I represent the engineering stakeholder group on the current board of directors of the ORCGA. I am a past chair of the ORCGA and a past chair of the best-practices committee on the ORCGA. I am also a member of the CSA committee which developed new CSA S250 standards for underground utility mapping in Canada. As well, I'm a member and the upcoming chair of the Transportation Association of



Canada public utilities management subcommittee. On that committee is representation from all across the country, including the Ministry of Transportation of Ontario.

Company background: T2 Utility Engineers is a niche consulting firm specializing in subsurface utility engineering services. That includes utility mapping, utility design and utility relocation coordination. We've been working for 10 years across the country, specifically here in Ontario. Our parent company is AECOM—not to be confused with the last speaker, Aecon; it's AECOM—which is the largest consulting firm in the world, with over 50,000 employees, as well as Cardno, which again is a large consulting firm with 10,000 employees across the world.

Some of the things that we get involved with that you may be familiar with would be the 407 east extension—we did the work on that—the Union Station expansion project here in Toronto or the Ottawa light rail transit.

We do work for a variety of clients, including municipalities, government agencies, consultants and utilities. All of the clients we work for recognize the importance of having good utility information when they're working on their capital works projects.

We do use One Call on a daily basis. Two different ways that our company utilizes One Call: One, which I'm sure has been talked about many ways, is we use it when we call before we dig. We actually go out and do physical excavations on a daily basis, so we utilize Ontario One Call for that purpose: to ensure the safety of all the employees at our organization.

Another aspect that we utilize it on that I thought I'd bring to light here, because I may be a little different than some of the other speakers today, was that we utilize it for the collection of utility records information and the presence of those utilities across the province.

Here are some of the key reasons why we are supporting the bill. The One Call system is and will be a free system for us and other engineering firms like us to utilize. When excavating and doing things like vacuum excavation, doing things like geotechnical bore holes, it helps us promote the overall safety of our workers in the field who are engaging in those excavations. When preparing engineering drawings, it allows us to get updates of the utility owners in various areas across the province.

Currently, however, because not all utilities are part of One Call, it becomes very difficult to determine if we have 100% coverage of all the utilities that are out there. To combat this, what our firm has had to do is develop a very large and extensive database for contacts in various areas. Even with that, we never know if there may be some of these small utilities out there that we're not aware of that could impact the projects that we're working on. It is a very time-consuming process to create, update and maintain that database, and if all utilities were legislated to be members of One Call, it would certainly help ensure the quality of the information that's developed on engineering plans and drawings across the province.

The data collected from our investigations is used as the basis of major capital works projects across the province. Other examples would include the Eglinton cross-town light rail transit project and the Detroit River International Crossing project. If we do not have a complete list of utilities present, we end up with incomplete drawings, and therefore the presence of some of those utilities may not be taken into account during the design phase, which could end up resulting in considerable delays and cost increases to public works projects across the province.

This same practice is used by the majority of consulting engineering firms in the province. Therefore, mandatory One Call will dramatically improve the ability of consulting engineers and, hence, municipalities, governments and infrastructure agencies that utilize consulting firms to save time and money.

One specific example where a One Call system worked, that we did very close by to here, was the design of the northwest PATH from Union Station. There will be a new PATH tunnel going up York Street, from Union up to Wellington. We were involved with the preliminary design on that project and the environmental assessment, at which time we did mapping for it. That was back in 2006. In 2010, we came back and were working on the detailed design component of it. As part of our regular protocol to ensure that we had all the utilities gathered, we contacted One Call and had a list of all their members in the area. At that time we realized that there was a new start-up fibre company called TeraSpan. We were made aware of that by One Call, and we were able to add that information to the drawings and make sure that it did not become a problem. If all utilities were members of One Call, that would be an approach that would be utilized across the province in an effective manner.

Why we think it's important: Ontario One Call is a critical resource to ensure the effective management of vital underground utility infrastructure that we have come to rely on as Ontarians. Although the current One Call system is effective at providing services in a non-profit environment, its usefulness is limited by the fact that currently not all utilities are members. It's a big problem. It would be like calling an operator for directory assistance, and they could only tell you the first three digits of the phone number. It just does not make sense and does not work. We need to improve the system.

Ontario One Call will only be able to meet its ultimate usefulness when all utilities are members, so the question is, what will it take to get there? The one thing that we know is that the voluntary system that's currently in place just does not work. Those in the industry have known this for years. The government has found it out in its recent investigations.

So what is it going to take? In my opinion, it will take legislation and this Bill 8 to come into effect. I recognize that it won't be easy, but nothing is that creates fundamental change.

It will take time for some utilities and municipalities to adjust and learn that using One Call can actually save them time and money and improve the safety of their



overall systems. Currently, utility owners that are members know this. Municipalities that are members know this. It's just up to the rest of those that are not currently members to recognize this. The only people that don't are those that are maybe afraid of the unknown, of change and, ultimately, of progress, in my opinion.

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In conclusion, the engineering consultant community, which essentially represents all capital projects across the province, will, without a doubt, benefit from Bill 8. It will improve our ability to obtain utility information and improve overall design work, and that will trickle down to improve construction schedules and reduce costs for the Ontario taxpayer. I would urge you all to seriously consider all the information that you receive through these hearings and make your decision regarding the support of this important bill. I hope that you will help Ontario follow the success that has been shown in the US and act as a leader and example for the rest of Canada.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. The Liberal caucus is up first on your presentation. Ms. Mangat, go ahead.

**Mrs. Amrit Mangat:** Thank you for the presentation. In your presentation, you spoke about the One Call system which is in the US, and it is mandatory. You spoke about a mandatory call system. Which business model do you support, a One Call centre or multi service providers?

**Mr. Lawrence Arcand:** I think the best approach would be to utilize the current model, utilize Ontario One Call, where you have a non-profit centre where it is represented and the board are members of all the different parties—the various utilities, municipalities and everyone that is actually part of the system—and that is offered up for free for the users of the system.

**Mrs. Amrit Mangat:** But all municipalities don't support that system, the current system. That's my understanding. Right?

**Mr. Lawrence Arcand:** Currently, there are some, yes, that are hesitant—

**Mrs. Amrit Mangat:** But not all. My understanding is that AMO is also not supportive of this.

**Mr. Lawrence Arcand:** I think if you look at the reason for that, a lot does not come down to the effectiveness of the system nor that it is the right system; some of it comes down to costs. When it comes to costs, I think the big aspect of that is the unknown and the actual, because you're trying to compare the current system to something they're not familiar with. Until we get in and start operating together and start utilizing it, there won't be a full understanding.

**Mrs. Amrit Mangat:** How does this current system differ from the US system?

**Mr. Lawrence Arcand:** The current system, the difference from the US system? In the majority of the states in the US, it is a legislated One Call system, which is what Bill 8 would produce here. In those systems, just like what we're trying to create here, when you call 811 in the US, which has been mentioned a few times today, you're linked in with the state's One Call centre. All the

utilities in that area are members of that system. Currently here when we call in and we go into certain areas, only certain utilities are members, and then there's a requirement to make additional calls or make additional—

**The Chair (Mr. David Oraziotti):** I need to stop you there. Thank you very much. Mr. Bailey.

**Mr. Robert Bailey:** I just want to make a couple of points, statements to correct the record. Just to reinforce that part about not all municipalities belonging, municipalities representing 80% of the population of Ontario are presently members. That's my understanding of the One Call system that's in place. I think it's incumbent upon organizations like AMO to get on board and to get behind this because I think they could see the wisdom of it. Just because they're advocating or whispering in someone's ear that maybe they don't support it, I don't think that's a good enough reason for us not to move forward.

Mr. McDonell?

**Mr. Jim McDonell:** Just a couple of points. One thing: I guess I'm kind of shocked that AMO would not want to be involved. Coming from a small municipality—six in our county system—there has not been a way of getting involved. We're not involved, and we've never been really asked to get involved, at least officially. I'm sure that we're—typically with a small number of small areas involved with utilities we have no system in place. If you happen to call us, we'll go out. But that's one of the issues because we're in the One Call area, but you have to know you call One Call, and then you have to know who else to call. That's the problem. Accidents are happening because a lot of people think, "I'll just call One Call. Everybody's there." That's not the case: They have to call the municipality, they have to call Rogers, they have to call the other utilities involved. They have to know who's there or they've got a problem. Contractors are a little better because they're used to it, but the private homeowner is the one that's—

**Mr. Lawrence Arcand:** I think that's one of the major challenges because a lot of people think that the current system has all members present, and that's almost more dangerous than not.

**The Chair (Mr. David Oraziotti):** Thank you. We need to move on to Mr. Marchese or Ms. Campbell.

**Mr. Rosario Marchese:** Thank you, Lawrence. I'm trying to get an understanding of what Ms. Mangat is talking about by way of the one system versus One Call centre. I like the notion of the One Call system because I think it's more comprehensive, in terms of possibilities. Then she used a different expression, saying "multi service providers." Then it confuses me, because I'm not sure what she's getting at.

The idea of different regional offices operating in the same system is something that makes sense to me. That's why changing the name to One Call system works for me, and so I'm hoping that we can negotiate what we mean by these things.

In terms of the current system, as it operates with the board, in the next election they will be moving to have every member be able to have a vote as to who is on that



board. I'm assuming that makes sense because that would make it a little more democratic in terms of who gets on that board. I'm assuming they're all there for the same interest, but you never know. Do you support that kind of system, in terms of the non-profit board and how it gets set up?

**Mr. Lawrence Arcand:** Without a doubt. I'm not an expert in the actual setup of the system and how it is. However, I agree 100% that the non-profit system and the fact that there is a board that represents all the key stakeholders, which is the way the current One Call system is moving towards, is the right model to use.

**Mr. Rosario Marchese:** Thanks, Lawrence.

**The Chair (Mr. David Oraziotti):** Okay, thank you. We appreciate your time today. That's time for your presentation.

#### MR. RUSTY RUSTENBURG

**The Chair (Mr. David Oraziotti):** The next presentation: Rusty Rustenburg. Is he here?

*Interjection.*

**The Chair (Mr. David Oraziotti):** Yes, 15 on there.

**Mr. Rosario Marchese:** I would recommend that we cut it short, if we have to, by way of questions. But we should do it, because I've got a meeting this evening.

**The Chair (Mr. David Oraziotti):** We have the electricity distribution presentation next. Do you want to try to get to that before the vote?

**Mr. Rosario Marchese:** Yes, let's do it.

**The Chair (Mr. David Oraziotti):** So we may have to reduce the questions—

**Mr. Rosario Marchese:** Yes, please. Let's get going.

**The Chair (Mr. David Oraziotti):** Okay. Go ahead, start. Thank you.

**Mr. Rusty Rustenburg:** Yes, good afternoon. Thank you for the opportunity to speak to Bill 8 for the allotted 10 minutes. As Paul Harvey quips, the rest of the story will be in my submission and hard-copy evidence and documents.

My name is Rusty Rustenburg. I've been an enforcement officer for most of my working career with over 55 various federal, provincial and municipal legislation and regulations. I've effected change through amendments and have been involved in input to rewrite acts to make them workable and effective in the field.

I'm not representing any previous employers. I'm not an employee of any company. I'm not representing anybody other than, I'm here as a concerned citizen and I'm supporting a tougher "call before you dig" act and not Bill 8, for many reasons.

I know there is not one person in this room that wants to see death or injury, but there is a need for real legislation that addresses the real issues and makes it enforceable. As Mr. Kipp said from the CGA even said, you need enforcement to effect the laws. Let's make it right; let's not rush this to tweak the weak Bill 8 later.

I guess I will not be popular today for not following the pied-piper approach, because my conscience has to stand up for what's right.

Case number 1: This is a house. It's across from a fire hall, across from a school. The homeowner calls for a call locate. Union Gas shows up and marks the property. The contractor walks the property with the owner. The contractor begins digging. As we're sitting there, the bucket pulls up a gas line—a U pipe. He shuts the machine off and yells to the homeowner, "Call the gas company now."

In the house are these children with their mother. Mr. Bailey, you have children; you have grandchildren. They were in that house. The gas company shows up and the site's contained for an inspection. The Union Gas locator is distraught and the owner and the contractor are visibly upset. This pipeline is not on Union Gas mapping.

I'm getting tired of listening to contractors getting bashed. It's industry that is causing problems with inaccurate mapping, and there's no accountability.

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Do you know how I know this? This is my house and this is my wife and children.

I'm telling you, this stuff, this on-and-on, 13 calls, blah blah blah, is not addressing the real issue. There is nothing in this province that forces a homeowner to call. It doesn't force a renter to call. All Mr. Bailey's act does is create a database that no one has to call. It's homeowners that the industry is complaining about—contractors. Look, it's just not acceptable.

I've got examples in my report of missing maps in the US for 20 years, and a gas explosion kills eight people. Show of hands: How many people here speed? How many people go to the police station and go, "Please write me up a ticket"?

*Interjection.*

**Mr. Rusty Rustenburg:** Good, Mr. Dickson.

This is an example of the DIRT voluntary reporting—3,200 hits. That's people voluntarily saying it. How many actual real hits are out there? How many good, bad and ugly contractors? How many good, bad and ugly situations happen? There's good and bad in every group. Legislation has to address this problem: calling before you dig. It's nothing about a not-for-profit organization that has been claiming that for 12 years and then all of a sudden Bill 8 shows up, "Oh, let's go get ourselves turned into a thing."

Look at the worst disaster in Ontario, the Enbridge situation. Mr. Bailey, you lied to the House. You lied to the House. You said, "Consider, for example, what happened on April 24, 2003." Ironically, that's the next day after your next standing committee meeting. "In each and every one of these cases, Mr. Speaker, it was discovered that the companies and people at the site did not call" for a locate of the underground infrastructure. I have the TSSA report. One Call was called. Enbridge was fined for inaccurate mapping. A call was made.

Mr. Bailey has no excuse. There are two people in this room, Mr. Douglas and—where did Mr. Scarland go? They were at the epicentre of this explosion. They were there. Mr. Douglas was responsible. How can he, in good conscience, push this through and not address the real



issue and prevent what happened on that day? That's my question to this committee.

Another example: a homeowner digs, Burlington Beach, the Trans-Northern gas line—if this would have ruptured, it would have contaminated the bay, and the cities of Hamilton and Burlington would have had contaminated water. So, environmental infrastructure is overlooked. Let's have a committee with all these industry representatives. Where's this committee where there are public citizens who are paying the bills for Enbridge? Where's their input into these industry accidents?

Owen Sound, Union Gas: They're running a line into a neighbourhood that doesn't have gas. They know it's propane. What do they do? They hit the propane and kill people in Owen Sound. Acon took the hit. Where was Union Gas? As far as I'm concerned, on the Occupational Health and Safety Act, if it was their contract, they should have been charged.

Mr. Bailey, I just don't understand it. You look at the fines that Enbridge was given. It works out to \$39,700 per person. That equals 32 minutes of profit for Enbridge for each person who died, and Mr. Bailey didn't even mention the people who were injured. There were four people injured who were physically or mentally scarred from this incident. This is not addressing the issue.

It's on and on, this, "We're non-biased; we're transparent." Look at the things they put out. How can this be a not-for-profit organization? I have the math numbers. They're talking \$1.60 a call. Well, everybody is saying 13 calls—times that by 13. So that's \$13.60 per call. Plus, if they put out anything—there is serious money being made here. And that's the protection.

The process of this bill is flawed. They haven't addressed opposition. Mr. White sent every MPP four different letters opposing this bill. They were accused of being Johnny-come-latelies. They've had a program in effect that Minister Gravelle supported.

I implore to you, Mr. Bailey: You called the Premier a liar on November 19, 2009, and you walked out of the House to applause.

**Mr. Robert Bailey:** No, I got thrown out.

**Mr. Rusty Rustenburg:** You were there. You've got to apologize. Donna Cansfield, actually, was going to—the look on her face, she said, "I was totally wrong." I'm right, and I proved it to her. She said you were sold a bill of goods.

So there's two things. You were sold a bill of goods with your crack team here that was there. To make that statement in the House is wrong.

The bill has no offence section. The only offence sections? If you don't join One Call or you rub out the markings. There's nothing for—under a "call before you dig" act—

**The Chair (Mr. David Oraziotti):** Mr. Rustenburg, that's time for your presentation, 10 minutes. We've got a couple of questions, so I—

**Mr. Rusty Rustenburg:** I just have one more point and I was kind of interrupted there. I just have one more point.

**The Chair (Mr. David Oraziotti):** Well, wrap it up.

**Mr. Rusty Rustenburg:** I will.

**The Chair (Mr. David Oraziotti):** Thanks.

**Mr. Rusty Rustenburg:** There's no offence section. Mr. Bailey is violating Mr. Hudak's top 10 with four of his top things. He's killing jobs in northern Ontario; he's eliminating jobs with red tape; he's cutting out expansion for young workers to become locaters and technicians. He's getting rid of jobs in northern Ontario. People in northern Ontario are starving to death—

**The Chair (Mr. David Oraziotti):** Okay, Mr. Rustenburg, that's time for your presentation.

I'm going to just ask the committee members a question. If you would like to ask questions of the presenter, we can do that, or we can move to the next presenter, because otherwise, the next presenter will not get an opportunity to make any of their presentation because of the standing orders and because of the vote. So do you want to do that? Do we have consensus to move to the next presenter?

**Mr. Michael Coteau:** Yes.

**The Chair (Mr. David Oraziotti):** And defer questions on this? Okay.

Thank you, Mr. Rustenburg. Thanks for coming in.

## ELECTRICITY DISTRIBUTORS ASSOCIATION

**The Chair (Mr. David Oraziotti):** Okay, folks. You've got what time is remaining. We're going to need to end it at a certain point here so I can get members over to the Legislature if they want to vote. Just start by stating your name, and you can start your presentation.

**Mr. Max Cananzi:** Thank you, Mr. Chair, and honourable members of the committee. My name is Max Cananzi, chair of the Electricity Distributors Association and president and CEO of Horizon Utilities, a utility that serves 240,000 customers in the Hamilton-St. Catharines area.

The Electricity Distributors Association is the voice of all—and I do emphasize all—of Ontario's electricity distributors across this province, the publicly and privately owned companies that safely and reliably deliver electricity to all Ontarians through 4.8 million homes, businesses and public institutions.

Ontario's electricity distributors have delivered electricity to this province's community for more than 100 years. The electricity distributors sector provides employment to almost 10,000 Ontarians. Distributors own over \$14 billion in infrastructure assets and invest more than a billion dollars annually as part of grid modernization to ensure safety and reliability to our customers. Our member companies provide approximately \$600 million in dividends and other payments to municipal and provincial shareholders.

Local electric distribution companies, or LDCs, have a notable record of safety. In fact, if you were to ask any one of our members about their core values, safety would rank at the top of this list. Our industry prides itself on an excellent safety record for our employees, our contractors



and the public. Our collective industry efforts have contributed to a downward trend in incidents related to electrical contacts, electrical injuries, power line and utility-related equipment. Serious injuries in Ontario have continued to decline in the 2001 to 2010 period, as reported in the Electrical Safety Authority's 2011 annual report.

Presently, the current One Call organization has earned the business of over 20 of our association members, who have voluntarily joined the organization because it made business sense for them. Even those electric utilities that have become members agree that the membership should continue to be voluntary. My utility, Horizon, which is a member of One Call, strongly agrees with the voluntary membership. Instead of making membership mandatory, the One Call organization should focus on refining and improving its value proposition to prospective members, which can then translate into a stronger offering to existing members as well.

Some LDCs have not joined because they do not see the need, as they believe they have the appropriate balance between safety and value to their customer. They receive the call from the contractor and perform the locating service without the need for a third party service and have done this successfully for years with no issues arising.

In its efforts to entice prospective members, One Call may be able to learn from their LDCs that are currently

providing cost-effective locating services to their customers as to what it will take to earn their business. This commercial imperative to earn the business will provide the impetus for continuous improvement and strengthen the One Call organization overall and for the long term.

**The Chair (Mr. David Oraziotti):** Sir, just one second. Folks, the presentation is in front of you. If members want to go and vote—do you want to go and vote or continue to hear—

**Mr. Michael Coteau:** I have to go vote.

**The Chair (Mr. David Oraziotti):** Okay. We're going to need to—

**Mr. Robert Bailey:** We can come back—

**The Chair (Mr. David Oraziotti):** I'm told that if it's after 6 p.m., we can't come back, according to the—

**Mr. Robert Bailey:** We can't come back for committee, but we can come back and meet anybody who's here, right, and talk to them?

**The Chair (Mr. David Oraziotti):** Yes, absolutely. Sir, we apologize for the time delay here and the restraint. The bells are ringing in the House and it takes priority over committees, so members need to be available to vote. We have your deputation in writing, and you have what you've read onto the record, but members have this as well, which will be part of the record. We thank you for coming in today to make your presentation.

**Mr. Max Cananzi:** Okay, thank you.

*The committee adjourned at 1801.*











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Première session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Monday 23 April 2012

# Journal des débats (Hansard)

Lundi 23 avril 2012

**Standing Committee on  
General Government**

Ontario One Call Act, 2012

**Comité permanent des  
affaires gouvernementales**

Loi de 2012 sur Ontario One Call

Chair: David Oraziotti  
Clerk: Sylwia Przedziecki

Président : David Oraziotti  
Greffière : Sylwia Przedziecki



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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENTCOMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Monday 23 April 2012

Lundi 23 avril 2012

*The committee met at 1416 in committee room 228.*

## ONTARIO ONE CALL ACT, 2012

## LOI DE 2012 SUR ONTARIO ONE CALL

Consideration of the following bill:

Bill 8, An Act respecting Ontario One Call Ltd. /  
Projet de loi 8, Loi sur Ontario One Call Ltd.

**The Chair (Mr. David Oraziotti):** Good afternoon, everyone. Welcome to the Standing Committee on General Government. We're here to continue public hearings on Bill 8, An Act respecting Ontario One Call Ltd.

Folks, I'm just going to ask you, members of the committee, to keep your questions as concise as possible. We've got a limited amount of time. We're a bit behind because of an item that was taken care of in the House earlier that pushed the committee back, and we have a full number of presenters for the time allotted today. I want to try to get through all of them today, if possible.

MR. DEREK GRAHAM

**The Chair (Mr. David Oraziotti):** We'll start with Derek Graham, the first presenter. Good afternoon, Mr. Graham. Welcome to the standing committee.

**Mr. Derek Graham:** Thank you.

**The Chair (Mr. David Oraziotti):** You've got 10 minutes for your presentation. Time that you don't use will be divided among members for questions. You can simply start by stating your name for our recording purposes and start when you're ready.

**Mr. Derek Graham:** My name is Derek G. Graham. I'm a professional surveyor.

Mr. Chairman, members of the committee, thank you for the opportunity to speak briefly with you regarding my personal support for the concept within this bill. This concept of one place to call and contact regarding above- and underground common services is long overdue.

I come before you as a practising on-the-ground professional surveyor to make a suggestion that I feel will bring a positive, long-lasting practical avenue to the concept that has been spearheaded by the Ontario Regional Common Ground Alliance and its dynamic leader, young Jim Douglas.

I suggest, with respect, that Bill 8, as sponsored by the honourable members Bob Bailey and Paul Miller, should

have a minor tweak with a phrase added that reflects a concept brought out in a January 2012 suggested special provision of the Ontario Good Roads Association regarding survey monumentation.

This tweak, if properly followed, should lead to substantially improving the existing chronic mapping inaccuracies of infrastructure by having licensed cadastral surveyors solely responsible for tying in the infrastructure, as identified by Ontario Regional Common Ground Alliance, to the boundaries of the entire province's highway/road infrastructure and servicing corridors.

It is the cadastral surveyor who is trained to identify legal boundaries which can and do change. Would it not be best to have the best records possible of the hidden infrastructure specifically measured to known and readily identifiable boundaries?

The suggested tweak to Bill 8, section 8, will be two-fold: (1) lowering the cost of resurveying long after construction has left by further protection of the boundary monumentation, so as to readily identify the position of the hidden infrastructure; (2) relating reliably the buried infrastructure to the legal boundaries of the highway, as defined under the Municipal Act, or service corridor. That is not specifically universally done now.

The service infrastructure is or may be there now, but where is it physically going forward on a continuing, reliable basis, as it would be by being related, by the licensed cadastral surveyor, to measurements to the present boundary?

The suggested tweak:

The Lieutenant Governor in Council may make regulations,

"(h) specifying that before any site construction and/or movement of soil or rock by any natural person or entity near a highway as defined under section 26 of the Municipal Act, or on any projected construction work altering in any way the natural or existing topography, a preconstruction inventory of all the cadastral survey monumentation, any site control survey monumentation and all control survey monumentation of record in the Ministry of Natural Resource's digital database, COSINE, must be made by a licensed cadastral Ontario land surveyor to such a point that a post-construction inventory of all the said monumentation can be made."

Who/what is responsible for commissioning the cadastral survey to do this inventory? The local road authority or property owner.



What is the rationale for this clause (h)? The infrastructure that has been identified within the ORCGA's best practices manual includes survey monumentation, as it rightly should. But while it is there to identify the boundary of the highway or service corridor, there is no specific ownership of this survey monumentation.

So who is called to locate the survey monumentation as is required under Bill 8, section 8? The licensed professional cadastral surveyor is the only professional who can opine on boundaries in Ontario. By having the geographically local licensed surveyor involved in both preserving the monumentation—iron bars, cut crosses etc.—and the surveyor relating the buried infrastructure services to the boundary by mapping it as found or as installed, as time passes, the long-term benefit will protect the public.

It also would definitely relieve the frustration of such as Mr. DiPede, who previously spoke about his Finch and Yonge or York University scenarios that I well understand, having been at these two points approximately over 40 and 50 years ago, respectively, myself, when I think they were barely more than two intersecting 66-foot-wide roads. If surveyors had mapped the infrastructure then as it was installed, we all would be in a better position to preserve all from accidents and unforeseen frustrating expensive service interruptions.

Thank you. Your questions, please.

**The Chair (Mr. David Orazietti):** Thank you very much, Mr. Graham, for your presentation. The Conservative caucus is up first. Mr. Bailey.

**Mr. Robert Bailey:** I'll keep it short, as the Chairman asked. Thank you for your presentation, Mr. Graham. I can see the value of your suggestions, and certainly something that I think as a committee we'd like to take up.

**The Chair (Mr. David Orazietti):** Any further comment? Do you have a question, Jim?

**Mr. Jim McDonell:** Just wondering: So you're suggesting that all plants placed on right-of-way would be located or verified by an Ontario land surveyor?

**Mr. Derek Graham:** Yes. The particular matter at hand is: What is that? Where is that? It's somewhere between here and there. Okay. But here and there, being the boundaries of the particular road, highway or service corridor, can only be established by a professional cadastral surveyor. Nothing against engineers or any of the other parties, but once it is located, there's reliability.

Believe it or not, roads get widened. So you still have the physical plant somewhere. It was related to, "Yeah, it's about there, about a metre and a half off of this." But the metre and a half is now gone. So it's the mapping, and that's the area that we're expert in.

**Mr. Jim McDonell:** Just a further—

**The Chair (Mr. David Orazietti):** Briefly.

**Mr. Jim McDonell:** Any idea that maybe GPS identification might—I'm just worried about the cost and what that would add to it. At the end of the day, we want an efficient service. It's important we know where things are but it's also important that we are able to take hand-

held units to the field and be able to identify them versus—

**Mr. Derek Graham:** Well, with respect, if you think of GPS, think of an umbrella, which is a good idea today. You've got the handle. There you are at the bottom of the handle, and you're looking up at the satellites. If there's anything between you and the satellites, the GPS doesn't work. By locating this infrastructure related to the boundary, the surveyor can put geographic coordinates on the boundary and on the infrastructure and relocate it 20 years from now, to be within that much—Mr. Chairman, will you give me four or five inches?—both X, Y and Z. That, today, even Jim Douglas couldn't do that.

**The Chair (Mr. David Orazietti):** All right, thank you.

**Mr. Michael Coteau:** No questions.

**The Chair (Mr. David Orazietti):** Thank you, sir; appreciate you coming in today. That's time for your presentation.

**Mr. Derek Graham:** Thank you.

#### TERRA DISCOVERY LTD.

**The Chair (Mr. David Orazietti):** Our next presenter is Terra Discovery. Good afternoon and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. Any time you don't use will be divided among members for questions. Simply start by stating your name, and you can start when you're ready. If I could ask you to just perhaps move the mike over. Yes, that's great. Thank you.

**Mr. Jeremy Cook:** My name is Jeremy Cook. I'm the general manager of Terra Discovery Ltd. We are a locate service provider that specializes in private locates and subsurface utility engineering work, and we also do contract locates for Ontario One Call Ltd. members on occasion. We work across the entire province of Ontario.

I am a civil engineer and a designated master electrician. I've been a member of the Professional Engineers Ontario since 1982, and I have worked with buried utilities throughout my career. I was PEO's appointee to the Canadian Standards Association's technical committee that developed the recently published standard S250-11, Mapping of Underground Utility Infrastructure. I am currently co-chair of the best practices committee for the Ontario Regional Common Ground Alliance.

Terra Discovery very much supports the intent of this legislation for two reasons: (1) removal of notification problems, and (2) improvement in locate industry regulation and practices.

The first point is this: Ontario has a serious problem with respect to excavators having difficulty in identifying and notifying utility owners of their forthcoming plans to dig. Make no mistake: This is about notification, not about records and not about the cost of locates. Regulations have been in place for quite some time in Ontario under the Electricity Act, the Occupational Health and Safety Act and the Technical Standards and Safety Act.



Together, these require excavators to notify utility owners and obtain locates and require utility owners to maintain records and provide locates. Bill 8, the proposed Ontario One Call Act, does not change this. In particular, it does not change the costs associated with records and locates, as the requirements for these have already been put in place by existing legislation.

The problem is that Ontario does not have a unified, province-wide notification system for locates. There is currently no system in place to identify all the utility owners in a given area and ensure that these utility owners are properly notified prior to excavation. We have existing legislation that requires this notification to take place, but we have no unified system to support it. We place a legal obligation on excavators and then make it very difficult for them, at times, to fulfill that legal obligation. If a party wishing to excavate cannot identify the owners of affected utilities, it makes it practically impossible to notify them all.

Keep in mind that not all parties wishing to excavate are professional excavators; they may be homeowners or small businesses that only occasionally need to excavate and are not as familiar with the processes involved. The reality is that utility owners are consistently not receiving all the notifications that they should be receiving, and excavations are consistently proceeding without all the required locates and clearances in place. As a result, the risks to life, health, property and commerce remain higher than they need to be right across the province.

Even if a party wishing to excavate is able to identify all affected utility owners, the process of notifying these owners can be time-consuming and onerous. Some utility owners have dedicated phone lines for locate requests; some do not. Some allow locate requests to be submitted by fax, email or Internet; some do not. The information and details requested by utility owners in order to identify the location of dig sites and describe excavation methods and types of equipment involved vary from owner to owner. These variations make it difficult for whoever is submitting the information to comply in a timely and efficient way. This often creates a staggered series of notifications, which in turn leads to a staggered series of locates. In this manner, the process gets spread out over a longer period of time than is necessary and becomes much more likely to experience delays and cost overruns. Bill 8 will address many of these issues.

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The second point is this: Ontario currently has very little in the way of regulation with respect to the locate process itself. TSSA and ESA have provided a joint publication entitled *Guideline for Excavation in the Vicinity of Utility Lines*, and this publication has sections covering "Locates," "Locate Boundaries and Accuracy" and "Duration." However, the document itself begins with the statement, "These guidelines do not have the force of law." There is a publication entitled *Underground Infrastructure Damage Prevention Best Practices* provided by the ORCGA committee that I mentioned earlier, but these also do not have the force of law.

The current state of affairs in the province is that utility owners, locate service providers, regulatory personnel and parties wishing to excavate are very much left to their own devices and their own good conscience as to how they handle this process. It is a credit to our society that the process goes as well as it does. But as you have heard, and will continue to hear, there are problems, and for some, these problems represent a considerable cost and burden and, in some cases, a danger to society as well.

Excavators are constantly being frustrated by delays in receiving utility locates and clearances, and frustrated again when locates that come in first expire before the remaining locates are completed. Utility owners are frustrated by having to re-mark expired locates when the cause for this is another party not getting its locates done on time.

We will not be able to come to grips with these industry-wide problems in the existing locate process until we deal with the front-end problem, which is the lack of a unified and consistent notification system. We have to fix the one before we fix the others. The cost to society is considerable, and we will all benefit from significantly improving the process. Bill 8 is just such an improvement. It may not address all our industry's problems, but its enactment would be a step forward for the province and the stakeholders.

In conclusion, Terra Discovery recommends that the proposed Ontario One Call Act be passed in its present form, or if concerns already expressed regarding the creation of a monopoly preclude this, that it be passed requiring utility owners each to be members of an accredited notification centre and that there may be more than one such accredited notification centre set up in the province. The important thing is to ensure that there is a notification system in place that will allow any member of the public to reliably contact all affected utility owners when planning to excavate. Bill 8 will be an important step forward in responsible management of underground utility infrastructure throughout Ontario.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation.

Questions?

**Mr. Robert Bailey:** I'd just like to thank Mr. Cook for coming in today and making the presentation and supporting Bill 8.

**The Chair (Mr. David Oraziotti):** Questions?

**Mr. Michael Coteau:** No questions, but thank you for the presentation.

**The Chair (Mr. David Oraziotti):** I appreciate your coming in today, sir. That's the time for your presentation.

#### ONTARIO GENERAL CONTRACTORS ASSOCIATION

**The Chair (Mr. David Oraziotti):** Our next presentation is Frank Zechner Professional Corp. Good afternoon, sir.



**Mr. Frank Zechner:** Good afternoon. My name is Frank Zechner. I'm a lawyer. One of my clients and the principal I will be representing today is the Ontario General Contractors Association. In fact, I have prepared a submission, which I have presented before you.

Let me just tell you in less than 30 seconds a bit about my background. I spent five years as head of the legal department at what is now Enbridge Gas. I started my life as a gas engineer in the province of Alberta. I was the author of, and spearheaded, the joint excavation guideline that the ESA and TSSA currently use, and I'm essentially assisting a number of clients in the construction industry in safety and environmental matters, including locates and utility locations.

The materials I have presented before you, on behalf of the Ontario General Contractors Association, are fairly simple. Let me tell you a bit about this organization. Back to 1939, their members construct roughly 70% of all the factories, schools, hospitals and institutions, including airports, subways, transit facilities and mines. They are basically the people who do much of the excavation.

*The division bells rang.*

**Mr. Frank Zechner:** Am I to stop because the bell keeps going, or keep going through?

**The Chair (Mr. David Oraziotti):** Keep going.

**Mr. Frank Zechner:** Keep going through. All right.

In terms of hospitals and other infrastructure, their members construct 70% of those AFP types of projects, so they are very much a major stakeholder in terms of excavation. All these projects involve considerable excavation—huge quantities of soil, very deep in terms of footings. The CN Tower would be an example of what was built by their members—and just think in terms of the excavation that was involved for that.

Common ground, common sense—I'm on page 2. Many projects involve significant excavation. It only makes sense that the people who should provide the information on where the utilities are—gas lines, electric lines, phone lines, communication lines, the works—are the people who put them in. Bill 8 would require all of those organizations to be members of one common system in terms of utility collection and response. It is not the part of Ontario One Call to respond to the locates; they are simply taking the questions, taking the requests and facilitating the contractors, homeowners and anybody else who might be looking for a locate.

Avoiding mistakes is a key criterion in terms of construction contractors or anybody else. We have already heard testimony from other parties in terms of up to 13 phone calls that might be made in some parts of Ontario in order to get all the utility locates. If you miss one of those—you might miss a gas line, you might miss a communication line—the consequences for each and every one of those hits are significant. You hit a water line: You might disrupt the firefighting effectiveness of nearby high-rise buildings, offices and residential units. You hit a sewer line: You might cause untold contamination of the stuff that was supposed to be processed at

plant now going into water bodies, affecting drinking water. You hit a gas line: Potential explosion, depriving of heat, loss of valuable materials. You hit an oil line: Potential environmental contamination once again, as well as a valuable product being lost and the fire hazard. You hit an electrical line: Possible instant death to whoever is in contact with that equipment, disruption of emergency services. Again, with communications, you hit one of those lines, you could be depriving people of 911 service; you could be depriving them of burglar and fire alarms.

Any utility is important. It gets hit or damaged because that owner was difficult to contact. Again, it goes back to Bill 8. This is what they are trying to fix. It's avoiding mistakes. If you make mistakes, it costs dollars. You either idle construction crews or you have to lose product. There's cost of repair, cost of disruption to the nearby neighbourhoods, perhaps traffic interruptions, productivity, shutting down factories—all these add to the cost. The Ontario Regional Common Ground Alliance has put together an excellent study estimating some of the types of damages and types of delays that would occur with a utility hit.

In terms of US experience, I think there's something to be learned there. I know we don't always look to the US to be the leaders in certain fields, but each and every one of the 50 US states has seen fit to enact their own form of One Call legislation. You can believe that in every one of the 50 US states there were very able lobbyists who were representing the railways, who were representing municipalities, who were representing water companies, arguing against the One Call. But sooner or later, each and every one of those 50 states decided to put forward some form of One Call legislation similar to what Bill 8 is.

I know there are people who will complain about costs. This is an information-collecting service. It provides assurance to municipalities and anybody else who might have a concern that they have a uniform locate ticket number. That proves to the contractor or the homeowner that they requested the locate. If somebody didn't respond, that's the problem of the municipality or the utility, but at least in terms of the safety of the people, they know they have made a locate, they've got proof they made the locate, and now it's up to the utilities. They have certainly been willing to carry the ball and move forward in terms of their responses.

Again, this is all a matter in terms of infrastructure dollars. The more we spend on wasted efforts, on idle crews, on damages that didn't need to arise, the less money there is in order to satisfy the needs of Ontario citizens in terms of the core infrastructure: utilities, hospitals, whatever the case may be.

I'm certainly happy to answer any questions you may have.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Conservative caucus, any—

**Mr. Robert Bailey:** I don't think we have any questions. I'd just like to thank you for your support of Bill 8,



again. You've reiterated what a number of presenters have: the importance of One Call and having all the data and information in one locate.

**The Chair (Mr. David Orazietti):** Thank you, Mr. Bailey. NDP caucus, any questions for the presenter?

**Mr. Paul Miller:** No. I think you covered pretty well everything we had concerns about.

**Mr. Frank Zechner:** Thank you.

**Mr. Paul Miller:** Thank you.

**The Chair (Mr. David Orazietti):** Liberal caucus?

**Mr. Michael Coteau:** No questions, Mr. Chair. Thank you very much.

**The Chair (Mr. David Orazietti):** Thank you, sir.

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## ASSOCIATION OF MUNICIPALITIES OF ONTARIO

**The Chair (Mr. David Orazietti):** The next presentation: the Association of Municipalities of Ontario. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation, as you're aware. Any time you don't use will be divided among members. You can start by stating your name, and start when you're ready. Thank you.

**Mr. Gary McNamara:** Okay, I'm Gary McNamara. I'm the president of the Association of Municipalities of Ontario. I'm here today to speak to you about Bill 8, the Ontario One Call. With me today is Craig Reid, our senior policy adviser and a member of our AMO staff.

Let me start by saying thank you to the Chair and members of the Standing Committee on General Government for allowing me to speak today. I'd like to tell you a little bit about our organization. For those who may be unaware, the Association of Municipalities of Ontario represents almost all of Ontario's 444 municipalities. The mandate for the organization is to support and enhance strong, effective municipal government in Ontario. It promotes the value of municipal government as a vital and essential component of Ontario's and Canada's political system.

In doing this, we are the voice of Ontario's municipal councils, representing their needs and interests. We do this through various means, including appearing before standing committees.

With regard to this legislation, you are considering the Ontario One Call Act. AMO wishes to present some commentary on the bill, its intent, structure and potential impacts, both to AMO and municipal governments. I will lay these out for you today as well as some technical comments.

First, let me say that AMO supports "call before you dig." Municipal governments, as owners of underground infrastructure, offer locate request services to residents and contractors free of charge. We do so because we support the need for the safety of Ontario's workers and residents, and the need for contractors to do their work in a timely manner.

What's before the committee is a private member's bill that mandates membership and some performance standards but deflects all of the governance and administration provisions to the regulatory authority. As well, it provides for other performance matters and enforcement to be determined in the regulations. In other words, this bill is just a framework piece of legislation that relies almost entirely on regulation to determine policy. It's difficult to provide amendments to the bill in a substantive manner in terms of how to improve it and mitigate impacts.

As a general but very important comment, AMO will always voice concerns with any bill before the Legislature that mandates and creates an unfunded mandate for municipal governments. Just as the federal and provincial governments have budget challenges, so do municipal governments. Try operating in the range of public services municipal governments provide to their citizens on nine cents of every household tax dollar.

Bill 8 is a private member's public bill, and as such, was not developed through a consultative process that involved AMO or, in fact, a pre-consultation process similar to that which we have on government bills, which comes through our memorandum-of-understanding agreement on consultation, as required by the Municipal Act.

Moreover, a government bill would be expected to go through an economic and financial analysis as part of the policy development process. I know that some members of this Legislature are trying to ensure the assembly is provided with more transparent information on these as a matter of course in your own deliberations.

AMO supports that transparency and believes that it should be extended to all bills that could have a potential impact on municipal government resources. We recognize that the private member's bill process generally does not enjoy the same type of resources available for consultation or drafting that a government bill would have, and is unable to answer many questions before legislation comes to the House or committee stage. That's just the process.

On to our comments related to this particular bill: Bill 8 is a framework piece of legislation. It relies on many regulations to set out a governance model and effect that governance.

Ontario One Call began, as we understand it, as a private corporation that is transitioning to a non-profit corporation. Should Bill 8 be passed by the Legislature, it will make municipal governments mandatory members of this non-profit corporation. We are not aware of any non-crown entity that mandates municipal government membership, let alone one that mandates an order of government to join a non-profit corporation responsible to a board of directors that may have a minority of municipal government representatives. As we understand the current thinking, even AMO, as a non-profit corporation that represents municipal government on policy and program development, does not enjoy mandatory membership. We rely on performance and voluntary membership.



As you may know, non-profit governance is about quality representation, fiduciary oversight of the corporation by its board, and corporate policy decisions, along with transparency and accountability to membership, among other matters.

It is also unclear as to how this non-profit corporation will be held to account by the government of Ontario and the members of this Legislature. The corporation is not responsible to any minister, and it is not certain how its public service mandate will intersect, particularly in light of the Lieutenant Governor in Council's regulatory authority. What ministry is to be charged with the regulatory drafting?

There is also some informal and recent discussion of requiring AMO to appoint, to endorse and put forward municipal government representatives for the board of directors, but once again this does not appear in the legislation before the assembly. We are not entirely clear on the impact that this would have upon AMO, whether it could be accommodated through our own corporate objects, and what liability may extend to our association.

The OMERS devolution bill that all parties supported in principle made AMO the municipal government employer sponsor representative. It was not a role or responsibility that was in keeping with our corporate objects, and, as a result, we had some new corporation work to undertake, as well as staffing and new membership and accountability functions, all at a cost to AMO.

It is unlikely that AMO will take on the representative role for the One Call Corp. Accountability to all the members will have to be carefully considered by Ontario One Call, and likely the content of the regulations and corporate bylaw as well, should the bill pass and mandate municipal membership.

We understand from meetings with some of those municipal governments currently involved in One Call that municipal interest is being sought from amongst current members, but it is not at all certain how sector-wide municipal issues related to One Call can be sure to come forward through this approach.

An issue that the bill does not deal with but that will rest with the corporation is fees for service. As I stated previously, we understand that the corporate bylaw would accord municipal governments one quarter of the new board's representatives. As such, it is not certain if this will come about, and even if it did, there is no assurance that municipal budgets can be safeguarded from future fee increases or other requirements of membership that could result in municipal expenditures.

I'll give you an example: mapping. We understand that Ontario One Call can and does work with mapping in any format municipalities have available to begin the service. This flexibility is certainly appreciated, but there is no guarantee that the technical requirements of the One Call system may not change in the future, requiring a new expenditure to upgrade mapping systems by municipalities. AMO believes that the decision to upgrade mapping—especially as many of these maps may have been inherited from developers in the past, when de-

velopments were assumed by the municipalities—should remain a decision of local councils, to be made at an appropriate time or not at all. The legislation does not offer any clarity or safeguards here.

Another example is fees to join and for call services. AMO appreciates that the membership fees for municipalities to join Ontario One Call are currently suspended until 2014. Perhaps this will attract more voluntary membership. But let us not forget that the bill would make Ontario One Call a monopoly model for service delivery. It will be up to the new corporation's board to determine what annual fees will be. For municipal government fiscal planning purposes, this would need to be conveyed by September to assist municipal budget-setting processes.

I'm not going to get into the technical aspects of it. Those can be referenced in your section on page 4.

**The Chair (Mr. David Oraziotti):** I'm going to need you to wrap up. It's just about time.

**Mr. Gary McNamara:** Okay; I've got about 30 seconds.

Second, the penalties for offences under this act are relegated to regulation as well. While penalties in regulations provide an easier avenue to amending them from time to time, most legislative construct is to put penalties in the legislation as a means of public input and comment at the outset.

These technical matters point again to some inherent challenges of the process related to private members' bills. Legislative drafting should result in clear, accountable authority with a view to eliminating unintended consequences.

In the past, AMO has supported the Ministry of Consumer Services in their initiative to have municipalities join voluntarily, and we and other organizations have provided venues to promote One Call.

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This may indeed be the case, but AMO would submit that the voluntary system as it stands today is working. We understand that over 40 municipalities have joined Ontario One Call to date, and we understand that it represents nearly 60% of Ontario's population, and others are interested in joining. We understand that the Minister of Consumer Services, in evaluating their two-year pilot membership project on Ontario One Call, estimates that 80% of underground infrastructure is already covered under the One Call system—

**The Chair (Mr. David Oraziotti):** Thank you. That's time for your presentation.

Questions? Mr. Clark, go ahead.

**Mr. Steve Clark:** Gary, welcome. Glad to have you here. As a former president of AMO, I appreciate you representing—granted, we had 839 municipalities back in the day when I was involved, so I appreciate your efforts.

I'd love to hear your own personal views from your own municipality on whether you feel that there are benefits from a public safety and a business model for your own municipality.

**Mr. Gary McNamara:** If you're asking about my municipality—



**Mr. Steve Clark:** Yes, I am.

**Mr. Gary McNamara:** We signed on to One Call. We did, but we did it on a voluntary basis. We weren't mandated to do it. We looked at it. Obviously, in the minds of my council and my administration, it was a recommendation that it was good. It was a good slant.

**Mr. Steve Clark:** And I think it is a good thing.

Now, the numbers: You've mentioned 40 municipalities, 60%. I think the figure that Mr. Bailey has given me is something like 44 municipalities, 80% of the province; places like Toronto, Kingsville, Fort Frances. So we're talking about some major players. In terms of AMO, is there a split in your membership? Is there a difference of opinion? Is it based on local autonomy versus public safety? Can you help me out in understanding where the members are at?

**Mr. Gary McNamara:** There's no question that safety is first and foremost. That's not the issue itself. There's no split in AMO in the municipal sector and so forth. But with these types of programs, we've always been accustomed, in terms of the development of legislation and that, to AMO having that capability of sitting down and looking at what those impacts are going to be in terms of moving this type of legislation forward. What is going to be the end result, the impact—financially, as well—to the municipalities?

**The Chair (Mr. David Oraziotti):** Thank you. We need to move on, given the length of the list. Mr. Clark, you weren't here earlier when we started.

**Mr. Steve Clark:** I'm just so excited, Chair. I have so many questions.

*Interjections.*

**The Chair (Mr. David Oraziotti):** I know you're excited. Bells are ringing. We're going to have to interrupt the presenters, so we need to keep going.

Mr. Miller, go ahead.

**Mr. Paul Miller:** Thanks, Gary. I appreciate your presentation. Obviously, I took a hard look at this as the co-sponsor. Some of the major utilities have stepped forward, as you well know: Bell Canada, Union Gas, Enbridge. These are all specialists in their field, I'm assuming. I also served on municipal council, and I'm not saying that we weren't good, but certainly in some of the areas we did not have the expertise to make decisions locally for infrastructure—certainly, sewers and major things, these types of things, for safety purposes. These companies do this all the time.

I'm a little concerned about AMO's position on this, considering most of the province has already agreed to it. Obviously, your council in your area has not had any major problems with it at this point. You're worried about mapping. It's my understanding—correct me if I'm wrong—that the utilities involved were not going to pass on the costs of mapping to the municipalities. So I think that's a bit of a red herring there. I think they would undertake to work with the municipalities, and if any upgrading was required, they could work together with the municipality, not at the expense of the municipality, I'm assuming.

I really think this is a good thing. It's proven in the United States. It's working successfully. They've cut down their injuries, their infrastructure losses and costs by over 70% in the northern states.

I don't understand AMO's position here, if it's political or if some of the little communities feel threatened by this and think it's going to cost them a lot of money. I think it's a bit of a grey area that, maybe, they want to look into a little heavier. I certainly think that this is a good thing for Ontario.

**The Chair (Mr. David Oraziotti):** Do you want briefly respond to that?

**Mr. Gary McNamara:** Through you, Mr. Chair, thank you, obviously, for the comments. AMO doesn't work on assumptions. We like to know going ahead.

The whole issue on the mapping is that we understand that they do have the capabilities to adapt to a lot of the technology that's in there now. Moving forward in the future, a year from now, two years or three years, if there's a requirement to upgrade that type, there is nothing that tells us what the end cost is going to be to the municipal sector. That's where we're concerned in terms of the technology.

In terms of the intent of the legislation, there's no argument: Safety is first and foremost in that regard. But there's a lot of great unknowns that are not there. In the mappings, with development of technology in the future—as you know, technology changes almost daily—who's going to be responsible to pay for that? That's where we're concerned: There's nothing there.

**Mr. Paul Miller:** Certainly that can be dealt with through amendments, and that can be dealt with at clause-by-clause when we deal with that. If anyone wants to bring amendments forward, or your concerns from AMO, we certainly can entertain them and run it by the industry to see where they stand on it in that particular time, because that's when we go clause-by-clause. So that would be an interesting time to hear those concerns. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Liberal caucus?

**Mr. Michael Coteau:** No questions. I'd like to thank you, on behalf of the Liberal caucus, for giving us the municipal perspective from the province. Thank you very much.

**Mr. Gary McNamara:** Thank you, Mr. Chairman, and thank you to the members of the board.

**The Chair (Mr. David Oraziotti):** Thank you for coming in. We appreciate the presentation.

Folks, given the time, I think we're going to recess for 10 minutes or so. As soon as the vote's over, folks, please come back so we can continue. We've got a lengthy list of presenters yet to go. The committee's in recess for about 10 minutes. Thanks.

*The committee recessed from 1457 to 1512.*

**The Chair (Mr. David Oraziotti):** Okay, folks, we'll get started again. I guess there was a question about clause-by-clause. As you're aware, clause-by-clause for this bill is a week today: Monday, April 30.



## ONTARIO CONCRETE AND DRAIN CONTRACTORS ASSOCIATION

**The Chair (Mr. David Orazietti):** We'll continue with the next presenter, the Ontario Concrete and Drain Contractors Association. Good afternoon, and welcome to the Standing Committee on General Government.

**Mr. Robert Celsi:** Good afternoon.

**Mr. David Zimmer:** Chair?

**The Chair (Mr. David Orazietti):** Yes, sir.

**Mr. David Zimmer:** I just want to say: I know we're having a difficult time staying on schedule and so forth and so on, and the ringing of the bells. I want it on the record that it's the Tories that are ringing the bells consistently, asking to adjourn the debate or adjourn the chamber, and that's not helpful to anybody. It's particularly disruptive to this committee. Thank you.

**Mr. Robert Bailey:** Mr. Chair, I'd also like to get on the record that the reason the bells are being rung is because we're calling for an all-party select committee on Ornge—just for the record.

**The Chair (Mr. David Orazietti):** All right. Now that we've got that clarified, we'll give this gentleman the floor.

**Mr. Robert Celsi:** Now that we have the record straight.

**The Chair (Mr. David Orazietti):** You have 10 minutes for your presentation. Time that you don't use will be divided for questions. Please state your name, and you can start when you're ready.

**Mr. Robert Celsi:** Good afternoon. My name is Robert Celsi, and I represent the accredited Ontario Concrete and Drain Contractors Association. I'm responsible for looking after the interests and betterment of our industry, which consists of roughly 45 contractors who employ a workforce of circa 1,000 employees.

Our unionized workforce are members of the largest labour construction union, being Universal Workers Union LIUNA Local 183. As well, we employ machine operators and excavators from Local 793. With both these labour partners, we have a collective agreement recognized by the Ontario labour board.

Our contractors are responsible for the professional installation of sewer systems from where the connections are taken from the public sewer and water main services. Our storm and sewer lateral pipes are then laid into the private property and provide drainage for the home or building. We also install in place concrete basement slabs, garages, porches and steps; hence "Concrete and Drain." Our members have performed their scope of work throughout the province, but the bulk of our business activity is concentrated essentially in Board Area 8 and the GTA.

Why we support Bill 8: In order for us to reach our connections where the sewer and water main contractors have terminated their scope of work at the private property line, we need to engage the services of an excavator in order to expose and reach these connections, which are typically eight to 12 feet deep. To avoid the risk of damaging underground utility infrastructure, we

need to call before we dig, as you can find in the information part of our membership directory on page 42. For our purposes today, I've just made a copy of it there.

Over the past several decades we have been providing our members with numerous stakeout contact numbers, leading right up to more recent times with Ontario One Call, in which unfortunately there are still some areas and some utilities that do not participate.

Simply put, for this system to operate safely, effectively and in a timely manner, all areas and utility providers need to participate. In other words, our association is of the opinion that the current One Call needs to be legislated as mandatory, as a US model, where all 50 states are operating under a One Call system.

Safety and best practices: For instance, if you refer to page 15 of our membership directory—again, today I've made photocopies for you—you can appreciate how Bill 8 ties in with our safety best practices that our association has been promoting for the past several decades, called extension of the laterals, which we've also done in collaboration with the Ontario Regional Common Ground Alliance. This document was created as a result of our concerns with the promotion of infrastructure damage prevention, public safety and, most importantly, establishing safe working environments. Without getting into the details of best practice outlined in our membership directives as well as—I produce a six-minute DVD appealing to municipalities and regions to change their standard drawings to reflect our best practice proposal. In short, we would like to work safely at the lot line, where we find this intersection of utilities. We certainly do not want our excavators striking gas lines, for example.

Thus, you can understand from our members' point of view why an effective One Call system is critical and very urgently needed. As our association motto states, "Committed to progress." Thus, we definitely support Bill 8 since it is progressive, and we believe that legislating a mandatory One Call would, first, provide an efficient and streamlined call-before-you-dig system for all stakeholders, property and homeowners. Secondly, it would assist in protecting the billions of dollars invested in underground infrastructure and avoid dangerous occurrences such as a gas line strike. Thirdly, but most importantly, as a result of establishing a mandatory One Call, we would be making the right proactive choice in public safety and protecting our workforce.

On behalf of the Ontario Concrete and Drain Contractors Association, I'd like to thank you for allowing me this opportunity to express my support of Bill 8, the Ontario One Call Act. Thank you.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. Mr. Bailey?

**Mr. Robert Bailey:** Thanks for your presentation. I appreciate it.

**The Chair (Mr. David Orazietti):** NDP caucus? Liberal caucus?

**Mr. Michael Coteau:** No questions.

**The Chair (Mr. David Orazietti):** Thank you very much for coming in today. We appreciate it.

**Mr. Robert Celsi:** Thank you.



## ELECTRICITY DISTRIBUTORS ASSOCIATION

**The Chair (Mr. David Oraziotti):** Our next presentation: Electricity Distributors Association. All right, we'll see if we can finish it off today. Thanks for coming back. I appreciate your indulgence, committee, given what was taking place last day at committee.

If you want to continue, go ahead.

**Mr. Max Cananzi:** My pleasure, Chair and committee members.

My name is Max Cananzi, chair of the Electricity Distributors Association and president and CEO of Horizon Utilities Corp., which is a member of the existing One Call organization.

The EDA is the voice of all 77 of Ontario's electricity distributors, the publicly and privately owned companies that safely and reliably deliver electricity to all Ontarians through 4.8 million homes, businesses and public institutions.

Ontario's electricity distributors have delivered electricity to the province's communities for more than 100 years. The electricity distribution sector provides employment to almost 10,000 Ontarians. Distributors own over \$14 billion in infrastructure assets and invest more than \$1 billion annually as part of grid modernization to ensure safety and reliability to our customers. Our member companies provide approximately \$600 million in dividends and other payments to municipal and provincial shareholders.

Local electric distribution companies, or LDCs, have a notable record of safety. In fact, if you were to ask any one of our members about their core values, safety would rank at the top of the list. Our industry prides itself on an excellent safety record for our employees, our contractors and the public. Our collective industry efforts have contributed to a downward trend in incidents related to electrical contacts, electrical injuries, power lines and utility-related equipment. Serious injuries in Ontario have continued to decline in the 2001-10 period, as reported in the Electrical Safety Authority's 2011 annual report.

Presently, the current One Call organization has earned the business of over 20 of our association's members, who have voluntarily joined the organization because it made business sense for them. Even those electric utilities that have become members agree that the membership should continue to be voluntary. My utility, Horizon, which is a member of One Call, strongly agrees with voluntary membership.

Instead of making membership mandatory, the One Call organization should focus on refining and improving its value proposition to prospective members, which can then translate into a stronger offering to existing members as well.

1520

Some LDCs have not joined because they do not see the need, as they believe they have the appropriate balance between safety and value to their customer. They receive the call from the contractor and perform the

locating services without the need for a third party service, and have done this successfully for years with no issues arising.

In its efforts to entice prospective members, One Call may be able to learn from LDCs that are currently providing cost-effective locating services to their customers as to what it will take to earn their business. This commercial imperative to earn the business will provide the impetus for continuous improvement and strengthen the One Call organization overall and for the long term.

Ontario One Call is currently an industry-funded, industry-operated organization. The legislation proposes regulatory oversight and penalties which the EDA does not feel are necessary or warranted, given that the intent is for the organization to continue to be paid for and run by industry. As a result, the industry members should determine the goals, objectives and compliance mechanisms needed to ensure the organization provides the most effective service to members. The EDA believes in the need for regulatory streamlining in the electricity sector overall to enable our members to continue to focus on the safe, reliable and affordable delivery of electricity to customers. We question the need for further regulation and financial penalties in an already well-established safe sector.

The EDA believes that the One Call organization should continue to offer membership on a voluntary basis, earning the business of prospective members based on ensuring the highest level of safety and value for money. One Call will be a stronger, more effective organization if it has the incentive to earn the business of each of its members and deliver on its promise of high-quality, cost-effective service to encourage member loyalty and satisfaction.

The best way to strengthen One Call as an industry-led, funded and operated organization is to demonstrate the benefits of membership and ensure members are invested in the success of the organization.

We feel that allowing the members to determine their own board of directors from among the voluntary membership, as well as term limits, rather than this being predetermined by legislation, will help to ensure effective governance and oversight.

In a voluntary membership model, organizations would have to provide all necessary information on their infrastructure to join One Call. There would be no need to include this in legislation.

In a strong, industry-led, voluntary organization, there is no need for penalties to be set in legislation. Under the voluntary model, One Call members would be driven to develop a self-managed model to ensure compliance.

In order for One Call to be a truly effective and dynamic organization, it must meet the needs of its membership. The EDA believes that voluntary membership and ensuring the organization is governed and operated in a way that fosters members having a vested interest in One Call's success are the keys to enabling One Call to realize its full potential.



Thank you. I look forward to your questions.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. NDP caucus—I'm sorry. We'll go in rotation. Everybody's here now. Go ahead.

**Mr. Paul Miller:** Hi, Max. How are you doing?

**Mr. Max Cananzi:** Great. Thanks.

**Mr. Paul Miller:** I'm a little confused. It appears that you're kind of wearing two hats here, because you're representing the Electricity Distributors Association and you are the president of Horizon. I have a letter here from your vice-president endorsing One Call and saying it's a good thing—and I'm sure they're voluntary, of course. You're saying no, it should be just voluntary if you want to join, yet your vice-president is endorsing it. Can you help me out with this?

**Mr. Max Cananzi:** Sure. Our thinking on this process has evolved. We've had extensive discussions, particularly of note as a result of the discussions around Bill 8. I'm here in front of the committee today as chair of the Electricity Distributors Association, speaking with one voice across the entire sector for all distributors in the province. Unanimously around our board table, there was a resounding feedback from our membership that the best interest of our sector is served if this organization continues to be on a voluntary basis.

**Mr. Paul Miller:** Okay. Do you feel that governance of the existing One Call system has been good?

**Mr. Max Cananzi:** to date, I have no information to say that it has been otherwise.

**Mr. Paul Miller:** Okay. Maybe you'll know better on this one. Do you feel that costs are being held low enough and are shared equitably among the broad membership? Would that be a fair statement?

**Mr. Max Cananzi:** I think that's a fair statement.

**Mr. Paul Miller:** So I'm confused. You say all your members seem to be wanting it to be just voluntary, but I saw heads shaking back there. They seem to question whether your whole organization wants that. Would that be a fair statement, that some may want the One Call?

**Mr. Max Cananzi:** With regard to individual electric utilities?

**Mr. Paul Miller:** Electrical distributors.

**Mr. Max Cananzi:** Electrical distributors? There may be a small number of views out there, but I can tell you that our board is representative of large, small and geographically based utilities. I'm here presenting the wishes of the board and our views as a unanimous voice on this issue.

**Mr. Paul Miller:** Okay, thank you.

**The Chair (Mr. David Orazietti):** That's time. Thank you. Liberal caucus?

**Mr. Michael Coteau:** No questions. Thank you very much for your presentation.

**Mr. Robert Bailey:** I've got one question. I don't have it right here, but I know I remember from my reading that an organization called PowerStream were quite supportive of this bill and mandatory membership. I don't know whether they're one of your organizations under the EDA or not. I'm sure I could find others, but I

don't have it here with me. I did want to put it on the record.

Thank you to the NDP. I see Horizon, which you are the CEO of, actually wrote us a letter of support back in 2011. I was going to ask the same question.

Thank you for your presentation today.

**The Chair (Mr. David Orazietti):** Mr. McDonell, do you have something brief? Go ahead.

**Mr. Jim McDonell:** I just have a hard time understanding that the association wouldn't be behind something that would make it uniform across the province. Some places where they're voluntarily involved, there's one number to call; where it's not, it's an issue. I guess when we have people and contractors working across the province, do you not see it as an issue where every region is different as far as where they call for locates, and some areas being all-inclusive and other areas not?

**Mr. Max Cananzi:** For us, the issue is that I think the organization as a whole will be stronger if business is earned. I think that will also ensure that costs remain low and competitive, if there's the threat that members can pull out of One Call. I think that, really, the focus on One Call should be to find a means to bring everybody into the fold voluntarily.

**The Chair (Mr. David Orazietti):** Okay, thank you for your time. We appreciate your coming back to conclude the presentation.

## G-TEL ENGINEERING

**The Chair (Mr. David Orazietti):** Folks, our next presentation is G-Tel Engineering. Good afternoon, sir. Welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation. The time that you don't use will be divided among members to ask questions. Just please state your name for our recording purposes, and you can start when you're ready.

**Mr. Ken Ritchie:** All right; thank you. My name is Ken Ritchie and I'm the president of G-Tel Engineering. Our company's core business is as a utility locate service provider whose job function is to accurately identify where utilities are buried underground, to aid excavators to complete their work safely and to avoid disrupting the vital underground infrastructure.

G-Tel Engineering has been in this line of business for over 10 years. Currently we provide this locate service to a variety of customers, a few of which I'll state: Bell Canada, BellAliant, Union Gas Ltd., London Hydro, the city of London, Westario Power, Essex Powerlines, Guelph Hydro, Kitchener Utilities, Cambridge and North Dumfries Hydro, city of Woodstock water, Norfolk Power, Telus and Execulink.

Our serving area stretches from Windsor in the west to Guelph in the east, Owen Sound in the north and Lake Erie in the south. As well, we also provide gas utility locate services for Union Gas in Thunder Bay and surrounding area.

Our company has created 195 jobs in Ontario, directly and indirectly involved in the locate industry. We com-



plete over 330,000 utility locates annually, which I would suggest makes G-Tel Engineering one of the largest locate service providers in the province of Ontario.

G-Tel is supporting Bill 8 because of our experience in this field of utility identification. We understand the complexity of the underground infrastructure, which in Ontario has a capital investment estimated at \$100 billion. We understand the devastating effect that can happen if a utility such as a natural gas line or an electrical power cable is overlooked and is struck and damaged. The safety of the workers and the general public can be, and has been, compromised due to these unfortunate events. Or perhaps even a telecommunication line that provides emergency connectivity for someone who relies on this service for health reasons is severed. Then there is the municipal infrastructure made up of their water and sewer systems that, if damaged, can disrupt service delivery and cause expensive repair costs, let alone inconvenience to the general public and the potential of an unsafe situation.

1530

Bill 8, when passed into law, will ensure all utility owners are members of a central call centre, Ontario One Call, which will identify to the requesting excavator all of these utilities—barring none. This will eliminate the potential of missing a utility which could be struck during the excavation. This just seems to make so much sense. Currently, excavators may be required to make up to 13 phone calls to contact all utilities in a particular area to secure utility locates. This becomes a process fraught with potential error, especially for excavators unfamiliar with the territory.

As mentioned, our core business is utility locating, but G-Tel has also had some experience in the process of requesting locates associated with our other business units. Our experience is that it is not an easy process to ensure you have contacted all potential utilities, since not all are members of Ontario One Call. The service provided by this call centre is at no charge to the requesting excavator, so what better incentive to make that call, especially when this requestor knows that, due to Bill 8, no utility will be overlooked?

Bill 8 is not unique, in the sense that this type of legislation has been in place in the United States for a few years now. Results of this action with our friends to the south have reduced the number of utility damages dramatically, with 99% of all excavations being completed safely. The United States has also mandated the universal One Call number 811. This needs to occur in Canada as soon as possible as well to ensure the branding, and thus familiarity, to ensure all excavators, large or small, road builders or homeowners call to request locates.

By the way, Bill 8 will not directly affect our company in any financial way. We are employed by the utility companies or municipalities to locate their infrastructure at their sole discretion. If currently these companies locate their own infrastructure or employ a locate service provider such as G-Tel, then Bill 8 does not change that

process. We support this bill because it is the right thing to do for the safety of all Ontarians, and the sooner this becomes law, the better.

Do we really want to wait until this current dig season is completed or even another year goes by? In my opinion, it would be appropriate to pass this legislation as soon as possible to ensure no incidents or fatalities occur because this bill did not get acted upon soon enough.

Thank you for your time. Let's make Ontario the safest province in Canada to work in.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Liberal caucus, questions?

Conservative caucus?

**Mr. Robert Bailey:** None for me.

**The Chair (Mr. David Oraziotti):** Okay. Mr. Miller, go ahead.

**Mr. Paul Miller:** Thanks for your presentation. Some of the presenters today have voiced some concerns about smaller communities. Obviously, you've said you deal with small communities and infrastructure. AMO had a concern about One Call. Do you feel that their concerns are warranted, or do you feel that they won't be saddled with mapping costs and things that One Call provides now? Do you feel that One Call will absorb those situations?

**Mr. Ken Ritchie:** I can't really speak for Ontario One Call. I do know that they have—currently I think it's a one-time set-up charge. Whatever mapping system that the municipalities have today will be incorporated at a very low cost. I think it's \$1,000.

**Mr. Paul Miller:** People at AMO also—their presenter said he was concerned about future costs. Whether it's determined when and where, obviously, do you think there will be any large costs attached to that when it was only \$1,000 this time? Do you think that'll create a problem for a municipality?

**Mr. Ken Ritchie:** I don't expect so because Ontario One Call deals with all kinds of different mapping systems. I think as long as it's functional for One Call to use their mapping system, no matter what format it's in, I don't think there would be any change.

**Mr. Paul Miller:** Thank you very much.

**The Chair (Mr. David Oraziotti):** Thank you. That's the time for your presentation. I appreciate you coming in today.

#### GUILD ELECTRIC LTD.

**The Chair (Mr. David Oraziotti):** Next presentation: Guild Electric Ltd. Good afternoon, gentlemen. Welcome to the Standing Committee on General Government.

**Mr. Edward Ryan:** Good afternoon. Thank you for giving me the time today. My name is Edward Ryan; I'm safety manager for Guild Electric Ltd. I've been involved in occupational health and safety for over 28 years now.

Guild Electric was established in 1954 to provide electric contracting services to the Canadian construction industry. We're multi-faceted and with divisions that include communications, highways and traffic, as well as



maintenance and service. We're one of the largest electrical contractors in Canada, actually. We have over 800 employees, unionized with the IBEW and the Labourers' Union. Electrical construction is the core of our business, and our highways division specializes in the installation and maintenance of traffic signals, high mast lighting, conventional lighting, freeway traffic management systems, airport and runway lighting, instrumentation, pavement markings and roadway signage.

Bill 8 will improve the ability of our company to improve worker and public safety by ensuring that accurate, complete and on-time locates for underground services are available. We are currently in a constant battle to get up-to-date, on-time, accurate locates. It's a constant battle we suffer and go through every day. Even prior to hand-digging with a shovel, you have to have an up-to-date locate. You cannot take a shovel and put it in the ground unless you have an up-to-date locate. And one of the problems we have is that we have two full-time staff specifically for going after locates and doing follow-ups on the locates. The biggest majority of their work is doing follow-ups and making constant calls.

One of the issues that we have is that prior to excavating, we naturally have to have a locate. The locates are good for 30 days. So we'll call out and we will get maybe—we have to call eight, 10 different companies to get the locates. So we'll have seven or eight of the locates come in within a week; then we start looking for the last or second-last locates to come in. We're calling and we're calling, and we're waiting and we're saying, "Where is it? Where are they?" Now the time's going by; by the time we finally get those locates in, the first one's either just expired or just about to expire. Now we have to call the first group and start all over again.

Meantime, we've got all sorts of staff—we've got, at any one time, a crew of eight to 10 people for just one dig location. They're standing around, waiting. We've got a plan how to work. We may have police backup for intersections. We'll have companies there for setting up the traffic control system, everything else. So all this has got to be organized and controlled. How do you organize and control that if you never know when you're going to get your locates in?

One prime example is that we had a planned shutdown on the Gardiner Expressway a couple of years ago. The specific date and time was given to the locate companies; all the locates, except for one, came within two weeks. Prior to the shutdown, after numerous calls to the last company, and it was only after telling them that this was a major thoroughfare, that it had to be shut down at a later date due to their incompetence and delays, and threatening to have all the costs for our crews' wages, the police officers' wages, etc., that they came up with the locates four hours before we had to call off the shutdown for the Gardiner Expressway.

The other thing we've had—and I know Bill 8 will work and One Call will work. With one of the municipal water and sewer system set-ups for locates, prior to the start of this year, we would always have to call three or

four times for our locates. There'd be all sorts of excuses and we would never seem to get them until, you know, we threatened them. And at times we actually had to call TSSA for some of the gas locates and get the TSSA to go after the gas companies. Once one municipal system went to Ontario One Call in January; since then, we've had no problems. We can make one call to them and our sewer and water system locates are bang, bang, bang. They're there all the time; they're set. It's going to work.

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It works in the United States. It's fantastic in the United States, and 99% of jobs in the United States, because they use the One Call system, do not have accidents on them. That's critical for our employees and for the public. We're digging around high-pressure gas lines. We're dealing around water lines. Because of a poor locate that came through at the last second, we did hit a water main in the Burlington area—\$80,000 was the cost of that hit. All we did was put a little tiny hole in it, and then the arguing started and the lawyers started and everything else.

It's something that has to be done. We have to get Bill 8 through, ladies and gentlemen. It's the only thing that makes sense for the construction industry. Thank you.

**The Chair (Mr. David Orazietti):** Thank you for your presentation. The Conservative caucus is up first. Questions, gentlemen, or—

**Mr. Robert Bailey:** I don't have any questions. I just want to thank you for your presentation.

**The Chair (Mr. David Orazietti):** NDP caucus?

**Mr. Paul Miller:** Thanks, Edward. Obviously I hear your frustration. For many years there's been problems with getting all the utilities on board so you can go ahead with your projects. Certainly it's time-consuming and obviously you're losing labour-intensive situations for pay for your employees. Would you feel that obviously the electrical distributors would be good to get on board too as a whole instead of partial? Do you believe in the volunteer system or do you believe everybody should be on board?

**Mr. Edward Ryan:** I believe everybody should be on board, because if you don't have everybody on board, now we get into the same old system: Who do you call, which municipality, and away you go.

**Mr. Paul Miller:** Thank you very much.

**The Chair (Mr. David Orazietti):** Thank you. Liberal caucus?

**Mr. Michael Coteau:** No questions.

**The Chair (Mr. David Orazietti):** Thank you, sir. We appreciate the presentation today.

TRANSCANADA CORP.

ONTARIO REGIONAL  
COMMON GROUND ALLIANCE

**The Chair (Mr. David Orazietti):** The next presentation: TransCanada. Good afternoon. Welcome to the Standing Committee on General Government. You have



10 minutes for your presentation. Time you don't use will be divided among members for questions, should they choose to ask you questions. Just start by stating your name and then you can proceed when you're ready.

**Mr. Cecil Blair:** Thank you, Mr. Chair. Good afternoon, committee members. My name is Cecil Blair. I'm the regional director with TransCanada Corp. I also serve as chair of the ORCGA.

Just to give you a bit of background with TransCanada, with more than 60 years' experience, TransCanada is a leader in the responsible development and reliable and safe operation of North American energy infrastructure. Our 68,500-kilometre pipeline network transports most of western Canada's natural gas production to key continental markets. We are developing one of North America's largest oil delivery systems. As an independent power producer, we own or have interests in approximately 10,800 megawatts of power generation in Canada and the United States. That's about enough electricity to power 10 million homes. We are also one of North America's largest providers of natural gas storage capacity. In 2011, we had total assets of \$48.9 billion, with an annual operating income of \$3.2 billion.

TransCanada has been operating our 8,000-kilometre network of pipelines in Ontario since the 1950s. We employ approximately 225 people in the province and pay them a collective salary of \$31 million. We pay \$73 million in property taxes, \$11 million in provincial taxes and contribute about \$1.5 million in community investments annually.

Why do we support Bill 8? Today, people in Ontario have to make up to 13 different calls before they can dig, so naturally many don't call at all and people get hurt. If this bill passes, people can make one free call and we will all be much safer. Let's seize this opportunity we have before us.

Ontario One Call is an existing service that is 100% free to homeowners and professional excavators. The value this service provides is limited only by the fact that participation is not mandatory for the hundreds of entities that own underground assets.

Industry experts estimate that there is over \$100 billion in underground infrastructure assets in Ontario. As of right now, homeowners and excavators are forced to call up to 13 different numbers in order to safely proceed with a dig. Last year, there were an estimated 12,000 third party strikes to vital underground infrastructure, with 3,200 being natural gas alone in Ontario.

Today, the number of hospital emergency calls that result from damage done to underground infrastructure in Ontario is on the rise. Without this legislation, needless costs to Ontario's health care system and risk to human life will continue to increase.

Because of these reasons, TransCanada strongly supports Bill 8. Bill 8 takes aim at the current complicated and cumbersome system, where homeowners and excavators are expected to make upwards of these 13 calls to all local utilities prior to digging. Unfortunately, many homeowners and excavators simply do not bother. The Ontario One Call Act would streamline the system,

requiring all owners of our underground assets to participate in a not-for-profit call centre, which would in turn give homeowners and excavators access to a free, single phone number for comprehensive underground locate information.

TransCanada supports Bill 8 because we see the value in establishing a true One Call system in Ontario. The ORCGA 2011 Damage Information Reporting Tool report shows that the most common cause of facility events in Ontario is "notification not made," at 35.5%. Within TransCanada, in Ontario, we also see that "notification not made" is the most common root cause of our facility events, but at a much higher proportion, at 61.5%. We feel this number is unacceptable and is putting people's lives at risk. We feel that having a streamlined One Call process will reduce the confusion in the general public and increase the notifications made to our organization before an excavator or homeowner digs around our large-diameter, high-pressure natural gas pipelines.

As you're hearing today, our organization isn't the only one that recognizes the importance of this legislation. We understand that many organizations from a variety of sectors, including the municipal sector, the emergency response sector, telecommunications, and hydro, are all participating in this process by either appearing before you today or making written submissions in support of this bill. In terms of the municipal sector, we are told that there are over 40 Ontario municipalities that support Bill 8. These supporting municipalities are both large and small, rural and urban, and from every region, including northern Ontario. I feel it is also important to notify the committee that the Ontario Association of Fire Chiefs has formally indicated their support of Bill 8.

Currently, all 50 US states have in place a mandatory One Call system. The US also has a mandated One Call number, 811. These initiatives executed by the US have resulted in 99% of all locate calls resulting in a safe excavation.

In conclusion, TransCanada views Bill 8 as an essential piece of legislation. The system we have in place today is too complicated and cumbersome, and it is putting people and property needlessly at risk. If this bill passes, people can make one free call, and we will all be much safer. Let's seize the opportunity we have before us today and pass this important piece of legislation.

**The Chair (Mr. David Oraziotti):** Okay. Any further comments?

**Mr. Jim Douglas:** Mr. Chair, can I move ahead?

**The Chair (Mr. David Oraziotti):** Yes, go ahead.

**Mr. Jim Douglas:** My name is Jim Douglas. I'm the president and CEO of the Ontario Regional Common Ground Alliance. Prior to joining the alliance in 2004 as their first-ever executive director, I spent 33 years with Enbridge Gas Distribution in a number of regional and corporate positions. During this period, I also spent eight years on the Ontario One Call board, including terms as president, vice president and treasurer. And quite frankly, ORC is the reason that you're all here today.



I don't have time to read my formal submission—that is on record, and you have copies of that—so I'm just going to touch on a few things.

The ORCGA, quite frankly, has changed the shape of damage prevention in the province of Ontario. Locate requests are up; damages are down. It's a three-part damage prevention program we have. First is, we need a true One Call centre in the province of Ontario, and as you've heard about 100 times, we don't have that. The second thing is, we need good education. The ORCGA Dig Safe program fits the bill for that, and it's well on its way.

The third part is enforcement. I heard some negative comments the other day about enforcement. Quite frankly, we're very proud of the enforcement. We've worked very closely with the MOL, the TSSA and the ESA since our inception. We've helped raise the awareness of enforcement. Enforcement today is much better than it ever was before. If you go back five years and ask an MOL inspector, "How many times have you asked for the locates on a job site?", they're probably going to say, "What? Locates?" Today, it's usually the first question they ask.

Enforcement in the environment today in Ontario is on its way up and in good hands.

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In 2004, the ORCGA introduced best practices. One of those best practices was section 2.0, namely number 2.26, and it states, "All buried facility owners are members of the One Call centre." After trying to get people on board voluntarily for nine years, the board and the stakeholders decided we needed legislation. We worked on that for a year: 17 stakeholders at the table, everything on consensus. We came up with a One Call legislation proposal for the province of Ontario.

At the same time, simultaneously, we had a societal costs study done by Informetrica which was part of the presentation to the government. That study revealed that societal costs were around \$33 million at that time. That was in 2005, and we had 80 members. We now have 450 members, so can you imagine what those costs would be if we get everybody reporting in? Substantially higher.

From 2005 right through until the present, we've been working with the government, and that has taken us through three elections, three different ministries and six different ministers. In 2009, the MCS, the Ministry of Consumer Services, asked us to put together a model that would represent how we could transition the current system to a new One Call system in the province of Ontario. We did that. It took us a year. We brought our stakeholders together. Then we provided the government with a model that covered what is legislated, a transition plan and a governance plan as well as a costing model which showed, should the members increase, that the rate of the send-out would go up from 1.3 to 1.67. In other words, it would go from \$1.60 down to possibly 90 cents. That was in 2002. We presented that to the Ministry of Consumer Services. Nothing happened.

In 2009, the Ministry of Consumer Services came to us and said, "We'd like to work with you guys on this One Call. However, we want to do it voluntarily."

**The Chair (Mr. David Orazietti):** Sir, that's about time for your presentation—combined, about 10 minutes. I'll give you 30 seconds or so to wrap up, if you want to make a last point, and then we'll move on to questions.

**Mr. Jim Douglas:** Many thousands of homeowners in Ontario and excavators in our industry expect you, as the elected officials, to ensure that the workplaces are safe in Ontario. Passing Bill 8 will instantly help you reduce the risk of inadvertent damage to underground infrastructure, resulting in increased safety for all Ontarians. The government of Ontario has had One Call legislation before it since 2005. To date, they have failed to implement legislation that would reduce incidents. As a result, workers and innocent victims have died.

Do not allow any more workers or the general public to be exposed to this risk because of a few narrow-minded groups. The fate of Bill 8 and in turn the safety of all Ontario is now in your hands. Please put partisan politics aside and make a moral and ethical decision to pass Bill 8. Do the right thing.

**The Chair (Mr. David Orazietti):** I appreciate your wrapping up; thank you.

Mr. Miller, NDP caucus, up first. Go ahead.

**Mr. Paul Miller:** Thank you, Mr. Chair. Hi, Jim; how you doing?

**Mr. Jim Douglas:** Paul.

**Mr. Paul Miller:** I just have two quick questions for you. Today I've heard people concerned about a monopoly for a non-profit organization. How do you feel about that, the word "monopoly"?

**Mr. Jim Douglas:** Well, I don't even think it applies when it comes to safety and a One Call centre. There are 64 other One Call centres, true One Call centres, across North America. They have two common things: One is, they are not-for-profit, and they are represented by an independent board of directors who represent the utility industry. I believe you're going to hear, and you have heard, but you will hear when Ontario One Call comes to present, that that is what Ontario One Call would offer.

I've also heard other people claim that they are One Call centres. Let me just make this emphatic: There is only one entity in the province of Ontario that can claim that. Ontario One Call is in the process of transitioning to an independent board of directors, and they are not-for-profit. That's the only One Call centre in the province of Ontario. The others are simply industry service providers. Please understand the difference.

**Mr. Paul Miller:** Okay. My second quick question is—I've heard today from the AMO that they're very concerned about future costs for mapping. One individual told me that, apparently, right now it's about \$1,000. It's not a great amount of money to the municipality. What is AMO's fear of One Call, do you feel?

**Mr. Jim Douglas:** I believe that AMO has listened to a few members who may be negative about it—they may be concerned about the impact—but they haven't got



enough information or listened, or are informed enough, to understand in turn that not only are they going to make Ontario safer, but they may save money in the province with no job loss.

I heard that too: There's job loss. There are people in the province who take the call. Some of them also clear the call and do the locate. So to say there's going to be a job loss from the call is very much not true.

**Mr. Paul Miller:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you. Liberal caucus.

**Mr. Reza Moridi:** Thank you very much, Mr. Blair and Mr. Douglas, for your presentation. We have no questions at this point.

**The Chair (Mr. David Oraziotti):** Mr. Bailey?

**Mr. Robert Bailey:** Yeah, I'd like to thank you, Mr. Douglas, for that. It's good to have the background about Ontario One Call, how we got to where we are today and the history about dealing with different ministries. Anyway, whatever happened in the past, we're here where we are today, and thank you for that. Mr. Blair, I'd like to thank you as well.

Could you give me a couple of ideas—you talked about the accidental hits and that, and you maybe had it in your presentation, but I missed it—what it would cost TransCanada in a year for accidental hits, misses and lost time, etc.? Do you have any dollar figures?

**Mr. Cecil Blair:** Oh, I don't have that in my back pocket. It would be significant. I've got about three or four people on a full-time basis who are out investigating those accidental hits and near-hits.

**Mr. Robert Bailey:** Do you have any infrastructure in the United States?

**Mr. Cecil Blair:** Yes, we do.

**Mr. Robert Bailey:** Just quickly, because I know my colleague wants to ask a question: Is there a big difference between your hits and misses here in Ontario versus, say, the same infrastructure in the United States? And then I'll let you move on to Mr. McDonell.

**Mr. Cecil Blair:** Yes, we are seeing a higher rate of near-hits in Ontario, compared to our states.

**The Chair (Mr. David Oraziotti):** Thank you. Mr. McDonell, go ahead.

**Mr. Jim McDonell:** Thank you, Mr. Blair. Just a quick question; I guess it was partially answered here. Are there jurisdictions in Canada where you have, essentially, a mandatory One Call system that TransCanada goes through?

**Mr. Cecil Blair:** Yes. We're legislated through the National Energy Board to be part of a One Call system in provinces where they have them.

**Mr. Jim McDonell:** Are there any provinces where you are that have them now? Would Ontario be the first?

**Mr. Cecil Blair:** Oh, no, no. All provinces have a One Call system. I think Manitoba is just getting set up right now. Other provinces have a One Call system, but they're very similar to Ontario's. There are numerous One Calls.

**Mr. Jim McDonell:** So we have no mandatory. You see them in the States, where they are mandatory and they all belong. Do you see any issues of concern to the municipalities that seem to be making them worried about such a system coming into place?

**Mr. Cecil Blair:** I'm not aware of any of those concerns in the municipalities in the States, although I don't work directly with our United States assets.

**The Chair (Mr. David Oraziotti):** Thank you for coming in and thanks for your presentation.

Our next presentation is PVS Contractors.

**Mr. Jim McDonell:** Just one question from one of the previous presenters. They wanted to know when we would be going into the clause-by-clause. Maybe it would be worthwhile just giving them an estimate of approximately—

**The Chair (Mr. David Oraziotti):** Just prior I made that comment, because it was raised, and I mentioned it to all committee members before we had the vote—Monday, a week today, clause-by-clause.

**Mr. Jim McDonell:** Because AMO had asked that question, so could we just make sure that they're aware?

**The Chair (Mr. David Oraziotti):** All right. Thank you.

#### PVS CONTRACTORS

**The Chair (Mr. David Oraziotti):** Good afternoon, sir. Welcome to the Standing Committee on General Government. As you know, you have 10 minutes for your presentation. Please state your name, and you can start when you're ready.

**Mr. Richard Dekker:** Thank you. My name is Richard Dekker. I'm president of Peninsula Video and Sound Inc., operating as PVS Contractors in the Hamilton and Niagara areas in Ontario. Actually, today I'm the third locate service provider that you're going to hear from, so some of this may sound familiar.

We started as a cable TV contracting firm in 1977. In the 1980s, we began performing underground locates for Maclean Hunter Cable TV. Soon, we were approached by other utilities to handle their locates. At first, it was peak shave, or only their overflow during the busy season. By 1997, we had contracts with Bell, Enbridge, and Maclean Hunter in the Niagara area. In St. Catharines, we also had St. Catharines Hydro and the city of St. Catharines water department as clients.

All of our clients used Ontario One Call for their notifications, so in fact we had what we believe to be the first One Call, one-locate system in Canada.

1600

Now I have 15 utilities as clients, but by no means do we have all the utilities in our areas. We have five hydro providers and two municipal water departments on our client list, but there are many more of this type that are still doing their own locates and handling their own requests. As of right now, in some areas homeowners and excavators are forced to call up to 13 different numbers in order to proceed. In St. Catharines and Pelham, for the



most part, they only have to make one call. That gets the notification for the locate and gets the locate provider to come out.

The handout I have supplied shows the number of calls that had to be made to obtain locates in the Niagara region prior to PVS handling the locates. This was originally on a small card that the people from Enbridge would carry around with them in case they had to call for locates. Not only did the excavator have to make the calls, he had to either meet the locator from each utility or just sit back and wait for the locate to be completed.

Also, at the end of the list—you'll notice that I highlighted—there is a caution that other utilities or structures may exist in the dig area. So even back then, with all these numbers, there were still others that you may not have called.

How would you know if you had locates for all the utilities in the dig area? Experienced excavators may know, if they work locally. Do they ever know for sure? How does a homeowner know if he or she has missed calling a utility? Last year, there were an estimated 12,000 third party strikes to vital underground infrastructure in Ontario. Currently in the USA, all 50 states have a mandatory one call system in place. They have also mandated a single one call number, 811. With these initiatives, 99% of all locate calls result in a safe excavation.

This initiative will make it safer for excavators and homeowners to perform work in the ground, and that is why I am supporting it. I have seen the damage done by digging into the infrastructure. It's not only gas and hydro damage that can be dangerous; it can be 911 calls that don't go through or emergency monitoring information that doesn't reach its destination. There is so much more information passing over phone, cable and fibre lines now that we never had before that are vital services. We encourage all of our clients to subscribe to a one-call centre. By passing this bill, you can take the guesswork out of the process. It would be so simple for everyone to just use one easy-to-remember phone number or email address to contact a service that is 100% free to use and be assured that all utilities in the work area will be notified.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. The Liberal caucus is up first. I don't know if you have any questions.

**Mr. Michael Coteau:** No questions.

**The Chair (Mr. David Oraziotti):** The Conservative caucus: Mr. Bailey.

**Mr. Robert Bailey:** I'd just like to thank Mr. Dekker for coming in and making the presentation today and re-supporting the reasons to be in favour of Bill 8—unless Mr. McDonell wants something?

**The Chair (Mr. David Oraziotti):** Mr. McDonell, go ahead.

**Mr. Jim McDonell:** Thank you for coming, Mr. Dekker. Again, just the question I asked before: Are you aware of any unusual costs that municipalities would have by getting into the system? I mean, you're in an area where everybody essentially belongs.

**Mr. Richard Dekker:** Historically—I have to say this—municipal records are not the best; they're usually old. Some of their equipment is not locatable. So they may have to improve their records, I would suspect. But as far as any extra costs, I've found—we have two city water departments—that the number of notifications will rise. Because of the depth of the service, people historically don't call in for water if they're not going very deep. They may see a rise in notifications.

**Mr. Jim McDonell:** But under the current system, One Call would simply send the call over to them if it's within the water-serving area. So really, the same system they use today is still there; there's an organizing group that actually calls them in for their service areas, so really, very little difference.

Records are records. I know they're terrible, but—

**Mr. Richard Dekker:** I understand that, but the notifications will rise.

**The Chair (Mr. David Oraziotti):** Mr. Miller.

**Mr. Paul Miller:** I appreciate your input, Richard. I'm just asking a question. I've been hearing today from the electrical distributors that they would prefer it to be non-mandatory to join this. Do you think that voluntary and non-voluntary could cause some problems down the road as far as getting proper locates?

**Mr. Richard Dekker:** Well, there could be a problem. But after all of this time, there are still a number of hydro services in our area that don't belong to Ontario One Call.

**Mr. Paul Miller:** Do you think that's a negative impact?

**Mr. Richard Dekker:** I believe so.

**Mr. Paul Miller:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for coming in. We appreciate the time for your presentation.

The next presentation, the Ontario Road Builders' Association—I don't know that anybody is here from the road builders' association yet.

#### HEAVY CONSTRUCTION ASSOCIATION OF REGIONAL NIAGARA

**The Chair (Mr. David Oraziotti):** Mr. Hunter?

**Mr. Bob Hunter:** Yes.

**The Chair (Mr. David Oraziotti):** Folks, we're going to move to the Heavy Construction Association of Regional Niagara. We'll catch up with the road builders' association later.

Good afternoon and welcome to the Standing Committee on General Government. You have, as you know, 10 minutes for your presentation, if you could please state your name and start when you're ready.

**Mr. Bob Hunter:** Thank you for this opportunity to speak on Bill 8, One Call. My name is Bob Hunter. I'm construction manager for Steed and Evans Ltd., Niagara division. I'm also the current president of the Niagara heavy construction association.



Our organization has 26 local contractor firms and 35 associate members. We cover all aspects of construction in the Niagara peninsula. We are affiliated with the Ontario road builders and the Ontario sewer and maintenance contractors associations. Also, I sit on the Ontario Regional Common Ground Alliance best practices committee in an effort to standardize locates and implement the One Call system.

Our members feel that the number one issue here is safety: safety for the workers and for the public as well. The hours spent trying to make sure that all utility stakeholders are contacted each time a contract is tendered or underground work is contemplated always leaves the possibility that one utility could be missed. The process of layering multiple locates from different sources and using multiple reference points—even the possibility of different icon symbols being used—could and has led to misinterpretation of locates, leading to harm to workers and also disruption of services. With the disruption of services, there is always the potential for loss of communications for emergency services and loss of commerce for business and institutions.

The One Call system works well right across the United States and should be looked at as a positive example for us to follow. The time saved trying to co-ordinate meet times with multiple locators can lead to better productivity for both the contractor and utility stakeholder.

As a contractor, we find many times that work either occurs close to bordering municipalities, or a municipality has regional interests involved on the same project. One Call would make sure that all concerned parties are contacted and that continuity would be established for the work zone. Another issue arises from the relocates or refresh of aged locates. One Call would make the process more streamlined, establishing a consistent date to track.

Some examples we have over the past few years: In St. Catharines, we called for locates, we had everything done and we found out that a public school had gone with Allstream, an Internet provider. Even though we had all our locates in order, nobody had informed us that they were in the ground, and we did remove the service from the school for two days.

In the town of Lincoln, region of Niagara traffic services—a contractor working mid-block. Usually if you're working in an intersection, there will be some sort of system to pick up vehicles. Either it will be planted in the asphalt or it will be a sensor. It's called an interconnect, so that all the lights are synchronized. Well, the contractor was in mid-block and didn't have locates from the region. He wound up removing the interconnect because he wasn't given the locates.

In Fonthill, Hydro One and Pen West—it actually happens in blocks; you can be a Hydro One customer in one block and a Pen West customer in the other. The contractor had locates for Hydro One, couldn't get the locates, and finally had to go to a homeowner to find out that their billing—they asked to see who they were paying, and they found out that was who to get the locates from. It is very awkward.

1610

Again, our number one issue is safety: for the guys out there doing the work, for the public that depends on the utilities and for the infrastructure for every day. The only solution to this matter is passing the bill and implementing the One Call system. I appreciate your time.

**The Acting Chair (Mr. Michael Coteau):** Thank you, Mr. Hunter.

I'll start with the Conservatives. Do you have a question?

**Mr. Robert Bailey:** I just want re-emphasize and thank you for coming today, Mr. Hunter. You've re-emphasized and also strengthened the reasons to support Bill 8. You have, in your short submission there, re-emphasized what someone last week talked about, the intricacies up in the north end, where there's a number of older communities, and everything overlaps. Unless some of my colleagues have something, I have nothing. Thank you again.

**Mr. Bob Hunter:** I actually have a comment as well.

**Mr. Robert Bailey:** Sure.

**Mr. Bob Hunter:** Somebody was asking about incurred costs for municipalities. A lot of the contracts that we've bid on lately—and we're a general contractor. It is in the contracts that the contractor, his surveyor, has to supply an as-built drawing which would bring the drawings up to date. A lot of that cost is incurred in the contract. Developers that are doing new residential developments have to supply the drawings for that development; the drawings have been built to design. So a lot of that work would be costs incurred during the contract, not necessarily an additional cost to the municipality to provide.

**The Acting Chair (Mr. Michael Coteau):** Mr. Miller.

**Mr. Paul Miller:** You must have known what I was thinking there, because that was exactly what I was going to ask you.

So obviously, Bob, you're supportive of Bill 8—

**Mr. Bob Hunter:** Strongly.

**Mr. Paul Miller:**—and any kinks that can be worked out certainly can be worked out in clause-by-clause or amendments that groups bring in, including AMO, that may have a concern. So you feel that we're moving in the right direction, and this is the best thing that Ontario's seen in a while?

**Mr. Bob Hunter:** Positively. Everything's important to us underground, but the three things that can really hurt people are hydro, gas and Bell—or communications. We just definitely want to get that so that everybody's on the same page and that the locates—one call, make it easy, and there's nothing missed, because we have enough trouble not hitting things when we have all the information.

**Mr. Paul Miller:** Thank you, sir.

**The Acting Chair (Mr. Michael Coteau):** Liberal caucus, any questions? No?

Thank you very much, sir.



## ONTARIO ROAD BUILDERS' ASSOCIATION

**The Acting Chair (Mr. Michael Coteau):** Next, I have the Ontario Road Builders' Association. Please join us. Welcome. The way we're doing it today is, it's a 10-minute deputation, and then we'll take questions for five minutes.

**Ms. Karen Renkema:** We have materials here. Shall I bring them up there?

All right, thank you very much. Good afternoon. Mr. Chair, members of the committee and committee clerk, thanks for having us here today. My name is Karen Renkema, and I am here today representing the Ontario Road Builders' Association. I'm the director of government relations. Along with me here is Jim Hurst. He is the VP of Steed and Evans construction and also ORBA's president this year.

ORBA is the voice of the majority of road building contractors who build and maintain both provincial and municipal roads, bridges, public transit systems and core civil infrastructure. The association also represents approximately 100 associate members who manufacture and distribute supply products, equipment and services to the road building industry. Our members employ in excess of 30,000 workers during peak construction season, and our objectives have changed very little since our organization was founded in 1927, with one of its central tenets being to promote accident prevention and worker health and safety.

It is with this objective in mind that we are here supporting Bill 8 and its efforts to improve safety in our province, for our workers as well as the general public, in addition to cutting red tape and streamlining business processes. ORBA would also like to congratulate PC MPP Bob Bailey as well as NDP MPP Paul Miller for their bipartisan efforts to make Ontario a safer place to live and work.

As you have already probably heard, Ontario has upwards of \$100 billion in underground infrastructure, including electrical power lines, cable, street lights, traffic signals, gas and oil pipelines, sewers and telecommunications lines, amongst many others. Despite this abundance of underground infrastructure, there is no one source to find complete and detailed information about the location of these assets. This is a problem, because it requires homeowners and excavators alike to navigate through a patchwork system that requires upwards of 13 phone calls to all local utilities prior to putting a shovel in the ground, and unfortunately, many do not bother trying to navigate through this complex system for utility locates, often due to a simple lack of knowledge of what is all buried.

The present voluntary system makes identifying buried infrastructure quite difficult. It is an archaic system that has long ago been discarded by all 50 states south of the border and replaced by a mandatory system. Recognizing this as an all-important public safety issue, the federal government in the United States mandated

811 as a national One Call number, which resulted in a 70% decrease in the number of incidences of underground infrastructure and utility damage between 2004 and 2008. Back in Ontario, economists have estimated that the average annual cost to the province for failing to locate all underground/overhead utilities totals \$39 million, with these costs being passed on to utility customers and to municipal taxpayers. This number says nothing for lost revenue, productivity and efficiency for businesses.

We are aware that a municipal association previously made a deputation to this committee, noting that their members do not believe that there is a need for Bill 8 and are concerned that this legislation will duplicate services that are already successfully provided by municipalities and private companies across Ontario. However, it should be noted that Bill 8 has received wide support from municipalities, including certain municipalities within the association who made this representation, namely, Kenora and Fort Frances, whose city councils have in fact endorsed Bill 8.

Now for the business case: An added feature that makes the One Call system appealing is that it is a one-stop shop for utility locates. This is important for many of our members, as some, such as Powell Contracting Ltd., have told us that they undertake upwards of 1,500 site locates each year. According to Powell, each of these site locates requires, on average, six phone calls for each utility locate, which translates into approximately 9,000 calls per year, or 173 calls per week. In addition to the calls, it is the requisite paperwork and permits for each locate which pose significant challenges on their own, as permits typically expire after 30 days. This poses problems, because under the current system, multiple permits are needed for a single job, and some locates are done immediately upon request while others may take up to two to three weeks to complete. As a result of this system, some permit renewals may be halfway to expiry before a shovel even hits the ground at a job site because of a slow turnaround by some utility companies locating their underground assets.

Therefore, the efficiency that the current system breeds at every level of the construction process results in obvious higher construction costs and longer completion times for projects.

With this, I'd like to turn it over to ORBA's president, Jim Hurst, who will provide you with some more details of these inefficient streamlining processes.

**Mr. Jim Hurst:** Thank you, Karen, and thank you to the committee for allowing us to be here today to present our case for why we support Bill 8 and why it is important to our members.

As the president of ORBA and also as a contractor, I'm very encouraged to see Bill 8 reach the committee stage, as the safety of my workers and all those employed by ORBA members is our top priority.

We took time to canvass our membership for testimonials, asking their opinions on the current system for locating underground utilities. We received an overwhelming response in favour of enacting a mandatory



One Call system, and I would like to offer you a few short anecdotal examples that we received, noting why our membership strongly supports the passage of Bill 8.

The first example is one of our own companies. In 2010, in Kitchener, we worked along a rail line and saw pedestals indicating the presence of underground cables. We contacted both the railway authority and the utility authority. They came out to locate, yet neither one could say that the utility was theirs.

We ended up hydrovacving all of the utilities, causing a delay to the process and also increased cost. We found the utilities safely. We did the work. In about a month's time, the railway contractor finally came forward and identified those cables as being theirs. I believe the new mandatory One Call system would not create this problem, and we would find the rightful owner of the utilities before we commenced work.

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The second example is from one of our members, Powell Contracting, in 2009. They worked on private property in Toronto. They suspected that fibre optic cables would be there. They called the local call centre. That call centre also fields business-related calls and billing complaints. They stated that they had no fibre optics in that area. Excavation went ahead, and there was a near-miss. After the fibre optics were found and after a week-long investigation, the call centre admitted that they had made a mistake and that a new section of their business had started up, unbeknownst to them, and had in fact installed fibre optics in that area. Again, not knowing the owner of the utility could have caused a major break and a safety concern.

Our last example is one from The Miller Group. In 2011, they worked on Highway 17 in the north. That spanned three different communities: Sudbury, North Bay and a First Nations community. They contacted everyone in an effort to find out what underground utilities were there. Neither locale could identify where theirs stopped and started.

**The Acting Chair (Mr. Michael Coteau):** One more minute.

**Mr. Jim Hurst:** I'll jump to the conclusion, then. These are strong examples that support our case.

In conclusion, I offer three recommendations. We request that the committee support Bill 8 to allow it to move to third reading and full assent. With the summer construction season upon us, we think this would be timely. Further to the above, ORBA supports Bill 8, with the most important priority being that the Ontario One Call system be made mandatory. Finally, we recommend a wide consultative process to ensure that all stakeholders have the opportunity to provide input on the drafting and implementation of any regulations that are considered as a part of passing Bill 8.

**The Acting Chair (Mr. Michael Coteau):** Thanks for your presentation. We'll start with the NDP caucus.

**Mr. Paul Miller:** Thanks very much for your presentation. It seems to be a theme today that most of the presenters are on board for this. Do you feel that this will

certainly make members of your association more comfortable with the One Call system? Some of the things you pointed out that can occur in different situations really can set back and add cost to the situation.

**Mr. Jim Hurst:** Yes. We have unanimous support from all 80 contractor members across the province.

**Mr. Paul Miller:** Thanks very much.

**The Acting Chair (Mr. Michael Coteau):** Liberal caucus, any questions? No? Mr. Smith, question?

**Mr. Todd Smith:** Yes. Thank you for the presentation. I just had a question. You outlined three different incidents. There are obviously dozens of them that occur across the province. Any idea how much money an incident like this ends up costing companies that are involved?

**Mr. Jim Hurst:** Well, even without a hit, delay costs on large projects can surmount to hundreds of thousands a week, depending on men and equipment employed there.

**Mr. Todd Smith:** Thank you.

**Mr. Robert Bailey:** I just want to thank Mr. Hurst and also Ms. Renkema for coming and presenting today, and re-emphasizing the importance of Bill 8 and how it will contribute to safety, the whole economy and costs for projects in Ontario.

**The Acting Chair (Mr. Michael Coteau):** Thank you very much.

## RESIDENTIAL AND CIVIL CONSTRUCTION ALLIANCE OF ONTARIO

**The Acting Chair (Mr. Michael Coteau):** Next, we have the Residential and Civil Construction Alliance of Ontario. We've allocated 10 minutes for presentations, five minutes for questions. Welcome.

**Mr. Andy Manahan:** Okay, thank you, Mr. Chair and members of the committee. I'm pleased to be here. My name is Andy Manahan. I'm the executive director for the Residential and Civil Construction Alliance of Ontario, and I've been in that position since 2006.

Safety at construction workplaces, including where construction takes place in public right-of-way, is a key concern to RCCAO members. The majority of buried electrical, gas and other utility lines are under public road allowances or within other public rights of way.

Every year, dozens of families receive the tragic news that a family member or friend was injured or killed while working at a construction site in the province. Too often, those injuries or deaths are the result of unintended contact or damage to a buried gas or electric power line. The speedy passage and proclamation into force of Bill 8, the Ontario One Call Act, will significantly reduce the likelihood of injuries at Ontario construction sites from these types of situations.

Just to give you a little bit of background about our organization, we're a labour-management group. We have five contractor associations and four construction unions that are part of our group. Our primary mandate is to advocate for infrastructure investment, but all of the



regulatory issues and policies go around that. So this is one of those issues that is important to us because we want to make sure that all the work that takes place in the province, whether it's provincial projects, private projects or municipal projects, are carried out as safely as possible. You can see that on page 2 there's a list of our members who are involved.

I should also point out that RCCAO has also been a member of the Ontario Regional Common Ground Alliance since 2010.

Why RCCAO is concerned about utility locates: Construction contractors are required by various laws, including the Occupational Health and Safety Act, to obtain the exact location of all underground utilities and services before commencing excavation. Even though the services are in a publicly owned right-of-way, there is no corresponding law on the owners of utilities and underground services to respond to locate requests.

The problem is complicated by the fact that it is sometimes difficult or impossible for a contractor to determine which utilities might exist in a predetermined excavation zone so that the owner of such service can be requested to mark the location of their facility. Even though a contractor may have requested locates from most of the commonly known utilities, there may be other utilities that are either unknown or have been recently installed or activated that compound the difficulties and complexities.

We believe that Bill 8 will address that safety concern by requiring owners of all buried utilities to become a member of the Ontario One Call system so that when a locate request call is made, the caller can be assured that all relevant utilities have been notified. Bill 8 will also place a positive response duty on all utilities for locate requests, an obligation that only currently exists for gas, electrical and a limited number of other common utilities.

Contractors who call the Ontario One Call service may often have to make many additional calls to request locates from all owners of underground facilities near a proposed excavation site at the current time. If one of those calls is missed, the result could impair the health and safety of countless individuals. A contacted electrical line could deliver fatal electric energy to nearby workers. A contacted gas line could trigger a deadly explosion not unlike the tragedy that killed seven individuals at a small plaza near the intersection of Bloor and Kipling in 2003. A severed phone line could interrupt fire alarms, intrusion detection and response systems and health lifelines for hundreds or even thousands of individuals. A damaged water main could deprive the occupants of nearby office and residential units of their primary fire defence, namely automated fire sprinklers and fire hydrants. Thus, there are safety implications to both the general public and to the construction workforce.

Cost of utilities unmarked and delayed calls: There are significant and growing costs associated with unmarked utilities, and these costs are not limited to repairing the utility. For example:

(1) Damage to a nearby underground gas line can idle construction crews and other businesses in the area.

These time and wage losses typically cannot be recovered.

(2) Damage to phone or Internet cables can shut down certain businesses.

(3) Damage to oil, gas or water lines can result in the loss of thousands of dollars of product and have environmental impacts.

(4) Construction work to repair the damages could disrupt traffic and result in increased congestion.

(5) In addition to the lost productivity, strikes can delay project completion. In fact, there could be financial penalties for missing completion targets as set out in a contract.

The One Call concept will minimize the possibility of striking unmarked utilities and the corresponding cost that would be incurred.

There are also significant costs associated with the uncertainty of knowing who to call and even when the correct number is available. Certain utilities may have limited hours during which live operators are available to accept and process locate requests. Ontario One Call will have live operators available on a 24-hour-per-day basis, 365 days per year.

If the call for requesting a locate is delayed due to insufficient information about who to call or because live operators are not readily available, there is a greater chance currently that construction crews could become idle because contracted work cannot proceed without utility locate responses. Depending on the circumstances, costs could be passed on, in fact, to the construction contractor's client, such as municipal or other government agencies.

1630

I wanted to respond to municipal concerns because I understand there are some municipalities that are at least somewhat opposed to the current bill. One of the two major reasons put forward is that Ontario One Call duplicates services already provided by municipalities. This is only partially true. Ontario One Call accepts calls from anyone who proposes to excavate, and they pass the relevant information about the proposed excavation—including date, location, nature of work and identity of person requesting the locate—on to the utility owner, which in the case of water, sewer, transit and certain other services could be the municipality. It is still up to the respective utility, including municipalities, to respond to that locate request and provide a drawing and markings at the site.

Ontario One Call only provides basic services for the collection of the call. Many utilities, including Bell Canada, Union Gas and Enbridge Gas, have determined that it is more efficient to have the locate request calls processed by a central agency such as Ontario One Call instead of a call collection centre separately run by each utility.

The second reason: the impact on other providers and possible loss of jobs and local business. As stated above, Ontario One Call will not be providing the locate responses; it will simply collect and request information



and pass it on to the respective utilities. Individual municipalities and utilities will still need staff or third party resources to provide locate information to the contractor or homeowner who is requesting the locate. Furthermore, any incremental costs as a result of the provision of One Call will be more than offset by reduced accidents and superior damage prevention within that municipality.

Other concerns, such as the fee structure or transitional provisions for small municipalities, I think can be dealt with through the regulations.

It's important to note as well that in the US there was, I guess, some resistance, going back decades, to mandatory utility locate systems. But most of those arguments were overcome, and every US state Legislature sooner or later came to the same conclusion: that a voluntary utility locate request centre would not be effective and that a mandatory One Call program could prove to be an essential component of a safe and efficient locate system. Public awareness is now high in the US, and damage prevention has improved significantly.

In conclusion, members of committee, we encourage you to pass a bill that would include mandatory participation of all utilities and municipalities in Ontario for the system. We believe that Ontario One Call will result in a more uniform system rather than a fragmented one, where gaps could lead to tragic consequences. We encourage the Ontario Legislature to proceed with this important safety legislation and to consult on the development of regulations in a timely fashion. Thank you very much.

**The Acting Chair (Mr. Michael Coteau):** Thank you for your presentation. We'll start with the Liberals. Any questions? No? Okay. Any questions, gentlemen?

**Mr. Robert Bailey:** I have no questions. I'd just like to thank you for your support and your presentation today. We'll certainly take those recommendations to improve the bill. Thank you again for your presentation and support.

**The Acting Chair (Mr. Michael Coteau):** Mr. Miller?

**Mr. Paul Miller:** I too would like to thank you, Mr. Manahan, for your presentation. It seems to be a reoccurring theme today.

**Mr. Andy Manahan:** I'm glad to hear that.

**Mr. Paul Miller:** Thank you.

**The Acting Chair (Mr. Michael Coteau):** Thank you very much.

#### ONTARIO SEWER AND WATERMAIN CONSTRUCTION ASSOCIATION

**The Acting Chair (Mr. Michael Coteau):** Next up, we have the Ontario Sewer and Watermain Construction Association. You've probably heard this five times: 10-minute presentation, five minutes of questions. Thanks for joining us today.

**Mr. Mark Van Bree:** Good afternoon, committee clerk, members of provincial Parliament, ladies and gentlemen. My name is Mark Van Bree, and I am the

president of the Ontario Sewer and Watermain Construction Association, the OSWCA. I am also president and owner of Birnam Excavating, located in Warwick township, close to Sarnia. We have served southwestern Ontario for more than 40 years in sewer, watermain and road reconstruction.

With me today is Joe Accardi, executive director of the OSWCA. He is a professional engineer with 12 years of experience in sewer and water. Together, Joe and I represent half a century of industry experience; half a century of excavating in unsafe conditions and taking unnecessary risks. We are both here today in support of Bill 8, the Ontario One Call Act.

The OSWCA has represented the sewer and watermain construction industry in Ontario since 1971. We represent 10 local associations, which are listed in our brochure. We have over 800 member companies, representing hundreds of thousands of Ontario workers. We collectively perform billions of dollars a year in capital projects to create safe and reliable communities.

Safety is a top priority for the OSWCA and its members. Safety is the reason we are so passionate about Ontario One Call. Our entire industry needs mandatory legislation. We urge you to listen to us, take us seriously, and promptly pass Ontario One Call.

All 50 US states have employed a model like Ontario One Call. They now enjoy a 70% reduction in damages to underground utilities. More importantly, they enjoy safe job sites. We want and need such a system in Ontario, a system that operates 24/7 and is overseen by non-profit organizations, because the safety of our workers should not be a money-maker. The safety of workers should be mandatory. It is time for government to show leadership by making Ontario One Call the law.

Over the last few weeks, you have heard from many organizations in support of Bill 8. You have heard from firefighters, police, municipalities, insurance companies, utility owners, land surveyors and engineers all in support. I would like to add an additional 800 companies to that list, which represent excavators and contractors all across this province. The OSWCA and its members fully support a mandatory participation model. Our members have told us they receive much better service from Ontario One Call than they do from individual utility owners in terms of response time and locate efficiency. Our members have told us they would never pay for a call service, and want a standardized response time so that they can plan better. Our members have told us they want a system that has mapping capability and one that underground utility owners must belong to. Ontario One Call will streamline a confusing, inefficient, slow and unsafe system that our members currently use.

We believe jobs will not be lost in the locating sector because of Bill 8. Municipalities will continue to tender locate work, to do internal dispatch as they always have. The only job impact from Bill 8 will be that our hundreds of thousands of workers will be safe on the job, and that is all that should matter.

A legislated One Call service is a necessity for Ontario contractors. Without this legislation, unnecessary risk to



human life is real and unacceptable. Without this legislation, unnecessary risk to vital infrastructure is real and unacceptable. Without this legislation, unnecessary risk to economic benefit of Ontario is real and unacceptable. Without this legislation, there are unnecessary and costly mistakes paid for by the taxpayers.

I would like to illustrate why a mandatory One Call is so vitally important to our industry. My company was excavating in order to install new sanitary sewers in a small town just west of London—Mount Brydges, actually. My office had booked locates through the existing locating system, and to do so we needed to make at least six calls. We hoped that we had reached out to all utilities, but as a contractor it is impossible to know how many actually may be in a given area. When my crew began to dig, thinking it was safe, they hit and cut a high-voltage underground cable. Thank God my men were not seriously hurt or killed. We stopped work immediately and called the utility owner to reconfirm their locate. They informed us that this is not their cable. Apparently the hydro ownership changes partway down the street, which is very important information that a contractor is not privy to without a One Call system. Because the other hydro company was not part of the current locating system, we had to call them separately. However, we did not call them because we did not know that they had a cable in the area until we dug it up.

A mandatory Ontario One Call system would have taken care of this. All utility owners would have been notified, the cable would have been located in advance of the dig, and my crew would have been safe. As an owner of a company, I do what I can to make sure that my crews are safe and return home to their families every day. But without an Ontario One Call system, there are some safety issues that I cannot cover off. As politicians, you have the power to keep Ontario workers safe by making Ontario One Call law.

The OSWCA has four recommendations:

- (1) All-party support to move Bill 8 to third reading and royal assent during this session of the Legislature;
- (2) That the Ontario One Call is a mandatory system for all utility owners;
- (3) That locates are timely, within 48 hours of calling utility owners; and
- (4) That the government, along with industry, drafts and implements regulations as soon as possible.

The OSWCA, its board of directors, the 800 member companies and hundreds of thousands of employees across Ontario thank the committee for the opportunity to table our support for Ontario One Call.

Please support the passage of Bill 8, which will ensure that Ontario families and workers are safe. Thank you.

1640

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. The Conservative caucus is up first. Mr. Bailey.

**Mr. Robert Bailey:** I'd like to thank you, Mr. Van Bree and Mr. Accardi, for making the trip here today and presenting. You've pointed out, in very plain form—I

started out in contracting years ago. It is reassuring to know that the contractors themselves are always concerned, as they were in those days, about the safety of their workers, and you've re-emphasized the importance of this bill.

I'd just like to say one thing: We keep saying in Ontario, "We're open for business." I think if we're going to be open for business in Ontario, we need to be open for safe construction and safe workers and all that environment that would do that. I think Bill 8 will do that. So thank you.

**Mr. Mark Van Bree:** I agree.

**The Chair (Mr. David Oraziotti):** Thank you. Mr. Miller.

**Mr. Paul Miller:** I'd like to thank Mark and Joe for your presentation. I personally have a couple of trades and worked in heavy industry for a long time, and locates are a very important aspect of safety. Also as a safety rep, I saw many times where problems could have been alleviated by communication and not 15 different groups involved in one locate. I think this is a no-brainer. It should be non-political, and I think it should move ahead.

**Mr. Michael Coteau:** No questions.

**The Chair (Mr. David Oraziotti):** Thank you. We appreciate your coming in today. Thanks for your presentation.

## ONTARIO ONE CALL

**The Chair (Mr. David Oraziotti):** The next presentation: Ontario One Call. Good afternoon, gentlemen, and welcome to the Standing Committee on General Government. You've got, as you know, 10 minutes for your presentation. Please state your name for our recording purposes, and you can start when you like.

**Mr. Geoff FitzGibbon:** Thank you. Good afternoon, members and staff of the committee. My name is Geoff FitzGibbon. I'm the executive director of Ontario One Call. The gentleman on my left is Mike Scarland, who is the president of Ontario One Call. I'll keep my remarks short so there's adequate time for questions.

Allow me to correct some inaccurate statements made by the committee, describe what Ontario One Call does and suggest a solution for the committee to consider when evaluating this bill.

You've been told by some presenters that there are no requirements to call before we dig. This is not correct. It is the law under the regulations of the Technical Standards and Safety Authority, the Electrical Safety Authority, the Ministry of Labour and the National Energy Board. The ORCGA best practices booklet distributed to the committee lists these regulations.

On to Ontario One Call: In 15 years, we have grown from three to over 160 owners of infrastructure. Almost 30% are municipalities. We have many cable companies, such as Cogeco and Videotron. We also have parts of Rogers Communications Group under Blink, Atria and Sprint networks.



The Ministry of Consumer Services estimates that Ontario One Call members own almost 80% of the provincial infrastructure. Ontario One Call municipal members represent almost 50% of the provincial population. But potentially dangerous gaps still exist within today's fragmented voluntary system, such as in the Ottawa region, where up to 13 calls are needed. Many necessary calls are never made, because they result in confusion.

Imagine, for a moment, that you're drilling for fence posts in your front yard with your children or your grandchildren helping you. You don't know that the gas service line is 15 inches below you and is made of plastic. Under Bill 8, a call to Ontario One Call for any buried service would have identified that gas line, keeping your loved ones safe from injury or worse.

Ontario One Call employs 75 people in Guelph. We do operate 24/7 and 365 days a year, meaning you will reach a live operator at all times. In 2011, we received 730,000 requests and dispatched 2,680,000 locate notifications; 2012 will be almost 20% ahead of last year.

Ontario One Call also provides local digging activity reports that enable municipal members to track permit violations and unauthorized work, which reduces their costs and increases their revenues. We are a not-for-profit corporation owned and directed by our members, the owners of the vital infrastructure we all depend on.

A recent transition to a multi-stakeholder board illustrates Ontario One Call's commitment to inclusiveness and transparency. The governance structure was designed by PSTG Consulting, recommended by the Ministry of Consumer Services and based on input from members, other stakeholders and the ministry. Twelve directors represent the municipal, electrical, telecommunications and pipeline sectors, with three directors from each. Large, medium-sized and small organizations each have an equal voice. Richard Powers, a lawyer and senior member of the Rotman school of business faculty, led the process to select the directors. All members were invited to stand for the board. Nine directors have confirmed their acceptance. We expect to interview and appoint the three additional directors within 60 days. The city of Toronto and the town of Kingsville have agreed to serve on the board. The inclusion of Six Nations gas on the board brings valuable diversity in the pipelines sector.

A stakeholder advisory council will also communicate directly to the board, enabling all opinions to be shared and reviewed by their representative members. Ontario One Call would welcome the province and the AMO on this council if they were to so choose.

A bill of rights that protects all members' interests is entrenched in our new bylaws.

I'd now like to respond to some points I've heard in the hearings. Firstly, how can a single operator be better than having multiple vendors? Ninety per cent of US states use single operators, as is proposed by Bill 8. The difficulty in fixing calling boundaries, the extra telecommunications costs involved and the resulting confusion make multiple operators an inefficient and ineffective option, which is decreasing. Ontario One Call believes

the Idaho or Maryland model offers the best solution for Ontario. In this model: two regional centres under one operator, utilizing one common computer system for efficiency, clarity, accountability and lower overall cost.

Secondly, would fees increase? For-profit call centre boards have a legal duty to maximize shareholder value under the Corporations Act. The Ontario One Call board has a legal duty to act in the best interests of all members—a significant difference. Fees today, at \$1.60 per locate, are 43% less than they were in 1996. When all owners of infrastructure are registered with Ontario One Call, it is estimated the cost would decrease to 75 cents. This graphic is inside your package. Rogers Communications, which complained their cost would double, would actually see a decrease in cost under Bill 8.

Thirdly, is there an additional cost to municipalities? Municipalities are exempt of all locate fees today. The board has also waived the former one-time subscription fee of \$1,000 for all municipalities. The Deloitte report that was completed a couple of years ago stated that, at worst, joining Ontario One Call would be cost-neutral overall.

Lastly, would northern Ontario be at a disadvantage by passing Bill 8? Ontario One Call would establish a bilingual member service centre in the north to help implement Bill 8, so there will be no job losses. Our safety awareness initiatives in the north will inject over \$80,000 into the northern economy this year alone.

To recap: We accept locate requests in all forms from homeowners and excavators. One Call notifies all registered members in the digging area. This is an extremely efficient model. It automatically leads to cost and fee reduction as more members join. We analyze each request and can filter out 85% of all locate requests for a typical municipality. There is no charge to contact Ontario One Call. We spend over \$200,000 each year on safety awareness programs. We follow 31 out of the 32 North American best practices for operating One Call centres.

Ontario One Call is efficient, transparent, fully integrated and provides the most complete and rapid response, and it operates the preferred model used in all 50 US states and in Australia, New Zealand, Singapore and in many other countries. I am therefore requesting our elected representatives to vote for Bill 8's greater safety and efficiency for all Ontarians. Thank you.

1650

**The Chair (Mr. David Oraziotti):** Thank you for your presentation. The NDP is up first. Mr. Miller, go ahead.

**Mr. Paul Miller:** Thanks very much, Mike and Geoff. I'm concerned about the word "monopoly." Being a non-profit organization, how would you answer your critics about being a monopoly?

**Mr. Geoff FitzGibbon:** I think most people, in principle, don't like the whole idea of monopoly. Personally, from a philosophical perspective, I don't, and I'm sure our board doesn't.

The history of the particular activity on this issue, shown by the United States, certainly shown by what our



board has done over the past 15 years: Every time we've had a surplus—because we get more efficient with economies of scale—it has been plowed back into the system to make it more responsive for everybody to use, and it has been used to decrease fees. We've had no competition, if you like, while we've been doing that. We've been kind of a monopoly. Why would we change it, especially with an expanded board?

**Mr. Paul Miller:** One of the other criticisms that you could deal with is that AMO is concerned about future mapping costs and future costs to municipalities. Could you, at this time, alleviate some of their concerns about those situations? It's a futuristic concern.

**Mr. Geoff FitzGibbon:** Gary McNamara and the staff have mentioned that to me, and several municipalities talk of it. It's not, strictly speaking, a real issue. We have some municipalities today that have never even given us any mapping. We don't actually need mapping to make the system work. The reason we have mapping is so that we know where they don't have infrastructure so we don't send an unnecessary locate. Obviously, mapping makes the whole thing more efficient.

We have systems that are able today to take PDFs—we've taken old drawings out of a plan chest, scanned them and integrated them into the system. It takes a bit more work, but we've doing this for 15 years. I can't see why that would change in the future.

**Mr. Paul Miller:** One of the concerns that was voiced to me by certain other operators was about the actual name. When Mr. Bailey and I looked at the name, we realized we were naming a bill after a company, so we're going to readdress that. The information that I get from your group is that you would have no problem changing the name because of the concerns of someone thinking it was a monopoly.

**Mr. Geoff FitzGibbon:** We were flattered you used our name, but we would have absolutely no problem. It's your bill; you can do with it as you wish.

**Mr. Paul Miller:** I appreciate that. Thank you.

**The Chair (Mr. David Oraziotti):** Questions?

**Mr. Michael Coteau:** Over the last two deputation sessions we've had, there were a lot of conversations around the difference between an integrated One Call system versus One Call Inc. I don't think anyone who has come through these doors would disagree that an integrated system is a good thing for safety and to protect workers in Ontario. Would you agree that if we moved forward on legislation to create this integrated One Call system, we would open it up for an RFP process?

**Mr. Geoff FitzGibbon:** Certainly. We would be happy to participate in that process. In fact, we've found it's most cost-effective for us to actually subcontract our operations, and we always put that out by RFP. In fact, we'd be glad to open up that RFP to some of the people who've come along and spoken with you who operate what they call "call centres," and if they're qualified, they can certainly bid on our work too.

**Mr. Michael Coteau:** One of the other concerns municipalities were bringing up was the fact that the

system they have now works. It works well for them. It's customized to their specific needs. Do you think it's wise for this government to go into municipalities and tell them to abort the system that they've been using that works and force them into this integrated system, as proposed?

**Mr. Geoff FitzGibbon:** That's probably a question you should address to Premier McGuinty.

In terms of municipalities, what I hear—and I meet probably 100 municipalities a year and present to them. It's almost universal; once they know the true facts of Ontario One Call, they say, "Oh, we didn't know it worked that way. We thought it worked some other way." And that's exactly what has happened. The 44 that have joined us didn't rush up to us; each one of them had concerns. But in reality, we take away the costs. There are no costs to use One Call. If they want to overlay us on their existing systems, that's fine; we adapt to them. We don't ask them to change. That's the important thing.

**Mr. Mike Scarland:** If I can just build on that—and I appreciate that Geoff brings it up.

**The Chair (Mr. David Oraziotti):** Briefly.

**Mr. Mike Scarland:** It was interesting. There was a letter from Fort Frances that I think was sent to the committee. When they first joined up, they had a lot of apprehension and they heard the same things; you know, there's all these challenges. The letter from Fort Frances—again, this isn't my words; it's theirs. They had this apprehension when they got involved with it. Afterwards, they realized that the stuff that they'd been hearing really wasn't true.

It's an interesting statement. I have heard a couple of times at these sessions that presently the municipality is working. Something is working now. It's working; don't change it. I think there was a question asked at one point that really hit home. Somebody had asked a gentleman from Thunder Bay. He'd said, "It's working now. Don't change it." The question was put, "Well, if you have to dig tomorrow, which numbers do you phone?"

If somebody says it's working, I would just ask the question, "Working for who?" For the people who come up here and they talk about—they're an excavator, and Enbridge is one of the largest excavators, as an example, and that's the people that pay me in addition to my hat that I've got here today for One Call. We're one of the largest excavators. If we go into the Ottawa area and we get some orange paint on the ground, we think, "Okay, we've got some hydro. We've got a locate." We've got paint and a piece of paper, and we think we've got it, and yet one of our employees could be electrocuted, because there are three others that don't belong to Ontario One Call. So somebody out there may say, "It works. We're getting phone calls in. We're getting paint out on the ground." But they're probably not the people that have to arrange for excavations out there, because I'll tell you, it's incredibly complex for people to work in Ontario. I'm surprised half the companies don't move out of Ontario into the States, where they hire one person to make all these plans instead of hiring a room full of people like this just trying to make phone calls.



A classic example last year in the city of Toronto: Enbridge was trying to dig in the city of Toronto. We get most of our locates within five days, 10 days, something like that. They were out six weeks with city of Toronto water. Now, stop and think about it. The locate is now expired. Now we've got to get a whole bunch of new excavation equipment and people waiting. It costs us a fortune to operate in Ontario.

By the way, the city of Toronto joined One Call January 1, and they're contracting out some of their locates north of the 401, and things are very well this year. But the point is, it's costing people a fortune to operate in this environment. So when somebody says, "Our calls are working well," they're probably sitting in an office building and that's probably what they're being told. Have them try to make that same phone call that Geoff just talked about, this weekend in their own background, and see if they can figure out who owns something underneath their own backyard.

**Mr. Michael Coteau:** Thank you very much.

**The Chair (Mr. David Orazietti):** Thank you. Conservative caucus? Mr. Bailey.

**Mr. Robert Bailey:** Yes, I'd like to thank Mr. FitzGibbon and Mr. Scarland for coming in today and presenting. It's been a pleasure working with you on this bill, and I want to commend Ontario One Call for their perseverance and staying with this, because I know how frustrating it's been. But I think you did a lot. All the presentations in the last two days have been great, but I think, Mr. FitzGibbon, how you and Mr. Scarland summed it up about Enbridge's difficulties in converting and to make work safer for employees—like I said, I think if we really want to be open for business in Ontario and talk about deregulation and health and safety for our employees and our homeowners and for the investments that are in this province, in the ground, in utilities, I think we need to move forward with One Call. Again, thank you for your presentation today.

Mr. McDonnell would like to say something.

**The Chair (Mr. David Orazietti):** Go ahead.

**Mr. Jim McDonnell:** I know one of the concerns here is from municipalities. Being from a small municipality, one of the issues we have is that we just don't have great records. I've heard their concerns, but if you could address how, in small municipalities where, really, it's Joe on the corner who knows where everything is, as long as he's not sick that day—and really, the system doesn't necessarily have to change. What we really are looking for here is one call: You know who's responsible, and you get hold of them. Maybe just address how that would work.

**Mr. Geoff FitzGibbon:** Sure; I'll be glad to. I should point out, to be fair as well, that we've actually found we've had fantastic records from small municipalities and some of the larger ones have been lagging behind. So it isn't necessarily the small municipalities that have got the problem. The problem is one, not of their own making, of not having perfect planning. They budgeted for it every year, but unfortunately it did not come

through. All the movements towards increased liability and increased knowledge, the CSA standard that was mentioned by one speaker this morning, are pushing everybody toward having better asset management programs. This is just the first issue, if you like, that has really raised the flag, I think.

**1700**

We can use whatever mapping is provided to us. In fact, we can even operate without mapping. There are a couple of municipalities that have got such low confidence in their mapping that they said, "Forget it." They use Frank, if you like, or Joe, who's due to retire in a couple of years—and then they've got a real problem. They just give us the municipal boundary and we say that for everything that originates from that area, we'll send them a notification. It then goes to Joe or Frank, who says, "Well, in that area, we happen to know that's okay." And that works perfectly fine.

The ultimate, of course, is to have perfect mapping—eventually we'll all get there—but it doesn't have to be that way.

**Mr. Mike Scarland:** I think that's a really important part that Geoff brings up—

**The Chair (Mr. David Orazietti):** I need you to wrap it up, because that's time for your presentation. If you want to just make a last final comment—

**Mr. Mike Scarland:** Just really quickly, the call comes in, and all the maps do is allow you to filter it out. So a call comes into Ontario One Call, and we can send everything through the same way as it happens today. That call centre takes the same call, but now they have one phone number to call. So it doesn't have to change anything.

**The Chair (Mr. David Orazietti):** Thank you very much, gentlemen, for coming in. That's time.

#### AVERTEX UTILITY SOLUTIONS INC.

**The Chair (Mr. David Orazietti):** Okay, folks, the next presentation: Avertex Utility Solutions. Good afternoon, sir. Welcome to the Standing Committee on General Government.

**Mr. Jack Kottelenberg:** Hello.

**The Chair (Mr. David Orazietti):** You get 10 minutes for your presentation. The time you don't use will be divided among members for questions. Just please state your name for our recording purposes, and you can start when you're ready.

**Mr. Jack Kottelenberg:** Thank you for taking the time to allow me to address this committee in regard to the mandatory One Call Bill 8 that is before you today.

My name is Jack Kottelenberg. I'm president of Avertex Utility Solutions, and I'm also a vice-chairman of the Ontario Regional Common Ground Alliance. I've also been elected as a representative for the excavator stakeholder group within the ORCGA.

I personally began working in the utility industry in 1985 as a foreman of a company and have gained a good understanding of what it's like trying to negotiate around



the underground infrastructure that is out there today. It can be very nerve-racking, especially when you're not convinced that all the underground is located.

In 2003, together with Andy, we purchased a substantial part of this company and formed Avertex Utility Solutions. We now have 150 employees and do work mainly in Ontario but also across Canada. Our organization calls in approximately 4,500 to 5,000 locates per year.

We have extensive knowledge in underground utility installation and have specialized in horizontal directional drilling since the early 1990s, when it was first developed. The reason I bring this up is because in the trenchless industry, it is all the more important that all utilities are located, and located right, or the consequences can be catastrophic.

Although this trenchless method of construction is one of the fastest-growing operations, it's also often the preferred method. It is also very important that all existing infrastructure be located and exposed beforehand, the reason being that if we have an open trench where you can see it and it gets hit, and if a damage does occur, we sometimes do not know, and there can later be serious damage—for example, days later, we have a sewer blocked or a gas leak.

It is far too often that we hear, after the fact, "Oh, we didn't know that a company had something there." There is no reason for this to happen in Ontario. We have to do better, and we need mandatory One Call.

I will illustrate this in more detail. We had two actual incidents that the One Call act would have prevented. Don't be misled: These two incidents happened in our company, and they are by far not the only two. So one can only imagine how often it really happens, with all the excavators and municipalities digging every day.

We had a damage in Watford. We were installing buried fibre optic cable. The project was put in for locates, and the One Call centre was notified. Because many other utilities in the area do not belong to One Call, their respective desks were also called. In some areas, this could be as many as 13 phone calls. All locates were in hand, and the water in Enniskillen township came back "all clear." As well, we contacted Lambton, and they too were "all clear."

We went to work on-site and didn't observe any notifications on the road, and there were no water hydrants in the area; clearly, existing buried water mains were not an issue on this job. We located all the utilities and proceeded to drill. As it ended up, we directional-drilled through a 12-inch water main. I'm not sure if you've ever seen a 12-inch water main blow up, but there is quickly a lot of damage and if not careful, even personal injury. I've illustrated some of that in the pictures.

The road was shut down. We tried to figure out who owned this water main so we could shut it off; it turns out the water main belonged to another town to the north and it was passing through this location. How were we to know this?

Here's a prime example. Had the utility belonged to One Call and had their infrastructure recorded with them, the One Call centre would have informed them and we would have received a locate and the damage likely would not have happened.

Forget about the cost of this to the municipality and to us to the tune of some \$15,000; the reality is that the local residents and businesses were without water, and this could have caused injury to the worker or the public. There is no reason for this to happen in Ontario.

This particular incident brings up another potential serious issue in the province. Our organization alone has installed some 600 kilometres of buried electrical infrastructure in the last four years all across Ontario for the wind and solar industry. The majority of this infrastructure is 35,000 to 45,000 volts and as high as 250,000 volts. I know for a fact that not only is a lot of this buried in the back of farmers' fields, but it is also on municipal right-of-ways as well. Much of this is not identified. These private organizations, and there are many of them since the Green Energy Act, do not have requirements to date to belong to the One Call system. How dangerous is this? What about the tile drain guy who comes along? Mandatory One Call will solve these dangerous situations and prevent injury.

In the other pictures I've illustrated other areas where there are high-voltage lines going down private roads. You'd think everything was on the poles, but it's not. There are two 1,000 MCM buried circuits going along the road. Again, an easy call, one-call number would have a much better chance of being called and would definitely result in the cable being located. Again, we can do better with a mandatory One Call system.

In the picture above, there are two—we have a couple of 35,000 volts that run down a quiet road. This is some eight kilometres away from the actual wind farm. When we get all the citizens educated to call before they dig and there is a One Call system that's easy for people to call, there would be no issue here. Now, who knows? It's a matter of time.

The next damage I want to share is the one in St. Catharines on Louth Street. We called in various desks like normal, got all our locates; the crew showed up and hand-excavated to expose a couple of electrical cables coming down the poles to the building on the left. They were right on the locate, and the depth was established. We proceeded to directional-drill across, with the idea of continuing on down the street. The drill head was halfway between the two poles when we heard a very loud explosion underground and the strike alert on the machine went off. This generally means we hit something, and judging by the loud explosion, it was something big. Thankfully, the men above ground stood still and the operator stayed on the machine until it was clear of electrical shock. It turns out we hit a private structure containing six high-voltage cables that came out of a building and went in between the two poles over to a large factory across the road. We had no clue that there would be a private hydro structure, and it didn't belong to the local electrical company, so it was not located.



Again, the owner—in this case, the factory—of the structure was not required to belong to the One Call system. Besides the factory shutdown, workers sent home, our company losing a couple of days of work—altogether \$60,000 plus—we had a situation that could very well have gone real wrong. Again, we can do better. A mandatory One Call system will prevent this from occurring.

These types of incidents happen all the time. I know, from talking to other excavators, they have the same concerns. When Avertex joined the ORCGA eight or nine years ago, I thought at the time that, yes, \$20,000 a year for a gold sponsorship for us was a lot of money. But I thought it would pay off when we get the mandatory One Call in place. We will save on downtime and damages as well as not having to go through the elaborate procedures we do now for small or big projects.

As time has passed, I have come to realize that this is not so much about money at all; it's about the health and safety of our workers and the public. It's about life. I have come to realize that the status quo is just not good enough. We can do better.

It has been a great experience sitting on the ORCGA board and being able to work alongside companies such as Bell, Union Gas, Enbridge Gas, Rogers Cable and Toronto Hydro, to mention a few, and many others in the industry as well as government agencies.

It has been totally amazing that we have had unanimous support for the mandatory One Call for this province. In all, if the diversified stakeholders in the ORCGA can get together on this, I sure hope the government can as well.

The government has tried for several years to get this off the ground voluntarily, and it obviously didn't work. Finally, thanks to some forward-thinking individuals, we have Bill 8. I ask you today, on behalf of my company, the excavators, their employees and the families, to do the right thing and implement a mandatory One Call for this province. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. We may have a couple of questions for you. Liberal caucus?

**Mr. Michael Coteau:** No questions.

**The Chair (Mr. David Oraziotti):** Conservative caucus? Mr. Bailey.

**Mr. Robert Bailey:** Yes, thanks, Mr. Kottelenberg. Thank you very much, Jack, for coming in today and presenting. You've pointed out a real—something that, to be honest, I wasn't aware of. I think it's going to re-emphasize the emphasis we're going to put on this bill as we go forward. What you've talked about, the solar installations and the wind turbines—with these types of infrastructure being put in the ground, I think it's

incumbent upon this Legislature and us, all three parties, to work together. Because of the Green Energy Act, these installations are continuing to go forward. If this infrastructure is being buried and not being identified, that's even more incumbent that we as a Legislature, together, do the right thing and implement this bill.

**Mr. Todd Smith:** I would just like to—

**The Chair (Mr. David Oraziotti):** Mr. Smith, go ahead.

**Mr. Todd Smith:** —add as well: Jack, thank you for bringing this to light. You are our last presenter, but I believe you are the first actual presenter to bring this to our attention. I think, with the haste that the government has moved on the Green Energy Act, stripping municipalities of a lot of the planning authority that they used to have, this is very important that we consider this now at this stage, at committee. I think this is a very valuable thing that you've brought to our attention here today, so I appreciate that very much, and I think it behooves all of us to look deeper into this and ensure that these 35,000-volt lines, in many cases, are marked. So thank you very much.

**Mr. Jack Kottelenberg:** Just a quick comment there: I heard lots today about, "Wow, it's working for them. It's working for the town. It's working for the municipality." But for the end digger, it's not working. Municipalities are one of our biggest challenges. I don't want to say too much because they feed us a lot of money, too, but they're the biggest challenge in getting locates done on time.

**The Chair (Mr. David Oraziotti):** All right, thank you. Mr. Miller?

**Mr. Paul Miller:** Thanks, Jack, for your presentation. What has impressed me today is the broad cross-section of all the industries and all the people who are involved in digging who have come together as one voice. It certainly says a lot to me. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. That concludes all of the presentations, committee, for Bill 8.

I just want to make note of two items: first of all, for committee members, that any proposed amendments to the legislation be filed with the clerk by noon on Thursday, as per the subcommittee agreement; and that clause-by-clause will be Monday, a week today, on Bill 8. So, see you then.

**Mr. Robert Bailey:** Starting at?

**The Chair (Mr. David Oraziotti):** Regular committee time, 2 o'clock.

**Mr. Robert Bailey:** At 2 o'clock?

**The Chair (Mr. David Oraziotti):** Yes. Thank you. That's it. The committee is adjourned.

*The committee adjourned at 1714.*





## **STANDING COMMITTEE ON GENERAL GOVERNMENT**

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# Official Report of Debates (Hansard)

Monday 30 April 2012

# Journal des débats (Hansard)

Lundi 30 avril 2012

## Standing Committee on General Government

Ontario One Call Act, 2012

## Comité permanent des affaires gouvernementales

Loi de 2012 sur Ontario One Call



Chair: David Oraziotti  
Clerk: Sylwia Przedziecki

Président : David Oraziotti  
Greffière : Sylwia Przedziecki



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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENTCOMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Monday 30 April 2012

Lundi 30 avril 2012

*The committee met at 1414 in room 228.*

## ONTARIO ONE CALL ACT, 2012

## LOI DE 2012 SUR ONTARIO ONE CALL

Consideration of the following bill:

Bill 8, An Act respecting Ontario One Call Ltd. /  
Projet de loi 8, Loi sur Ontario One Call Ltd.**The Chair (Mr. David Orazietti):** Okay, folks. Good afternoon. Welcome back to the Standing Committee on General Government. We're going to go through clause-by-clause for Bill 8, An Act respecting Ontario One Call Ltd. I don't know if there's any other business we need to do other than start on the first motion.

Conservative motion: I guess we can start with that. Mr. Bailey, if you want—unless there's any other comments of the committee?

**Mr. Robert Bailey:** Yes. I move that the definition of "corporation" in section 1 of the bill be struck out and the following substituted:

"Corporation" means the corporation continued under subsection 2(1)."

This amendment would be necessary, according to legislative counsel or the lawyers from the Leg., as Ontario One Call Ltd. becomes a not-for-profit corporation with the drafting of my original bill.

**The Chair (Mr. David Orazietti):** Mr. Miller, go ahead.**Mr. Paul Miller:** Could we have a recorded vote on these, please?**The Chair (Mr. David Orazietti):** On number 1?**Mr. Paul Miller:** On all of them.**The Chair (Mr. David Orazietti):** Okay.**Mr. Paul Miller:** Thank you.**The Chair (Mr. David Orazietti):** Any further comment on Conservative motion number 1? Okay. A recorded vote has been called for.

## Ayes

Bailey, Campbell, Coteau, Dickson, Mangat,  
McDonell, Paul Miller, Yurek.**The Chair (Mr. David Orazietti):** Carried. Thank you.

Conservative motion number 2. Mr. Bailey, go ahead.

**Mr. Robert Bailey:** Mr. McDonell.**Mr. Jim McDonell:** I move that section 1 of the bill be amended by adding the following definition:

"excavator" means any individual, partnership, corporation, public agency or other person or entity that digs, bores, trenches, grades, excavates, moves or breaks earth, rock or the materials in the ground, and 'excavation' has a corresponding meaning."

**The Chair (Mr. David Orazietti):** Okay. Any further comment?**Mr. Robert Bailey:** Yes. This amendment, Mr. Chair, would clarify the bill. It affects those who plan to excavate or dig into the ground to remove the earth, whether they're homeowners, landowners or excavating companies etc. It would just clarify who those people affect.**The Chair (Mr. David Orazietti):** Okay. Further comment on motion 2? Ms. Mangat?**Mrs. Amrit Mangat:** No, no.**The Chair (Mr. David Orazietti):** A recorded vote has been called for on Conservative motion 2.

## Ayes

Bailey, Campbell, Coteau, Dickson, Mangat,  
McDonell, Paul Miller, Yurek.**The Chair (Mr. David Orazietti):** Mr. Miller, sorry, just to clarify: You had requested recorded votes on the motions that are before us. Do you want a recorded vote as well on the section? So if I say here now, "Shall section 1, as amended, carry?", do you want a recorded vote on that or just a show of hands on it?**Mr. Paul Miller:** I guess that would be okay to just show hands, but the whole section—if somebody votes against the whole section, that certainly should be—**The Chair (Mr. David Orazietti):** Okay.**Mr. Paul Miller:** So I think a recorded vote on everything would be appropriate.**The Chair (Mr. David Orazietti):** Okay, shall section 1, as amended, carry?

## Ayes

Bailey, Campbell, Coteau, Dickson, Mangat,  
McDonell, Paul Miller, Yurek.**The Chair (Mr. David Orazietti):** That's carried. Thank you.



Conservative motion number 3, Mr. Bailey.

**Mr. Robert Bailey:** I move that subsections 2(1), (2) and (3) of the bill be struck out and the following substituted:

"Ontario One Call continued

"2(1) Ontario One Call, continued under the Corporations Act, is continued as a corporation without share capital.

"Letters patent revoked

"(2) The letters patent issued to continue the corporation are revoked, but the revocation does not affect the rights or obligations of the corporation or any by-law, resolution or appointment of the corporation except to the extent that the by-law, resolution or appointment is inconsistent with this act."

This amendment was necessary according to our legislative counsel, who is present today, as Ontario One Call Ltd. becomes a not-for-profit corporation with the drafting of the original bill.

**The Chair (Mr. David Oraziotti):** Okay, thank you. Any further comment on motion 3? Seeing none, a recorded vote is called for.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** The motion is carried.

Shall section 2, as amended, carry? Recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** That's section 2 carried, as amended.

Section 3, Conservative motion number 4, Mr. McDonell.

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**Mr. Jim McDonell:** I move that subsection 3(1) of the bill be struck out and the following substituted:

"Objects

"3(1) The following are the objects of the corporation:

"1. To operate a call system to receive excavator requests for the location of underground infrastructure within Ontario.

"2. To identify for excavators whether underground infrastructure is located in the vicinity of a proposed excavation or dig site.

"3. To notify a member of the corporation of proposed excavations or digs that may affect the underground infrastructure of the member.

"4. To raise public awareness of the corporation and the need for safe digging."

This amendment is to change "call centre" to "call system," clarifying the language. It is intended to clarify

that the bill requires a single province-wide phone number and system to call before you dig. However, it allows for multiple call centres under the Ontario One Call umbrella.

**The Chair (Mr. David Oraziotti):** Thank you. Further debate? Seeing none, a recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Carried.

Shall section 3, as amended, carry? Recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Carried. Thank you, folks.

Conservative motion number 5: Mr. Yurek, go ahead.

**Mr. Jeff Yurek:** I move that subsection 4(1) of the bill be amended by striking out "query regarding" and substituting "request for".

The amendment is recommended to clarify the language. It uses "request" uniformly throughout the bill.

**The Chair (Mr. David Oraziotti):** Any further debate or comment? Recorded vote on Conservative motion number 5.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Okay, that's carried.

Conservative motion number 6: Mr. Yurek, go ahead.

**Mr. Jeff Yurek:** I move that subsection 4(2) of the bill be amended by "call centre's" and substituting "call system's."

That's to change "call centre" to "call system" and clarify the language.

**The Chair (Mr. David Oraziotti):** Any further comment on number 6? A recorded vote is called for.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Okay, that's carried.

**Mr. Paul Miller:** Mr. Chair?

**The Chair (Mr. David Oraziotti):** Yes, sir.

**Mr. Paul Miller:** This is our motion and there's just a small typo here we'd like to change. We ask to change it to "municipality of Sudbury."

**Ms. Sarah Campbell:** Yes, she's coming around with it.

**Mr. Paul Miller:** She's bringing it now?

**Ms. Sarah Campbell:** Yes.

**Mr. Paul Miller:** It's just a slight change on the name.

**The Chair (Mr. David Oraziotti):** The NDP motion to add a new section here, 6.1, so I'll let you read it into the record. Go ahead, Ms. Campbell.

**Ms. Sarah Campbell:** I move that section 4 of the bill be amended by adding the following subsections:

"Call centre in northern Ontario

"(3) The corporation shall operate, as part of its call system, at least one call centre located in northern Ontario.

"Definition

"(4) In subsection (3),

"'Northern Ontario' means the territorial districts of Algoma, Cochrane, Kenora, Manitoulin, Nipissing, Parry Sound, Rainy River, Sudbury, Thunder Bay and Timiskaming and the city of Greater Sudbury;"

**The Chair (Mr. David Oraziotti):** Thank you. Further comment?

**Mr. Michael Coteau:** Mr. Chair, what was the actual change? It looks like Sudbury is scratched, and "Sudbury" is replaced with "Sudbury." What's the actual change?

**The Chair (Mr. David Oraziotti):** Go ahead.

**Mr. Paul Miller:** In the original amendment, it did not say "the city of Greater Sudbury," which would be the Nickel Belt area, right? It didn't include that. So it's Sudbury, basically, plus the city of Greater Sudbury, which would include Nickel Belt.

**Mrs. Amrit Mangat:** But it does say "Greater Sudbury."

**Mr. Michael Coteau:** This is the amended piece.

**The Chair (Mr. David Oraziotti):** The original had "regional municipality of Sudbury"?

**Ms. Sarah Campbell:** That's right, yes.

**Mr. Paul Miller:** Yes.

**The Chair (Mr. David Oraziotti):** And you want it to read "the city of Greater Sudbury"?

**Mr. Michael Coteau:** Sorry, this is a bit misleading—

**Mr. Paul Miller:** City of Greater Sudbury.

**The Chair (Mr. David Oraziotti):** The city of Greater Sudbury. Okay.

**Mr. Paul Miller:** Yes, it's just a slight change.

**The Chair (Mr. David Oraziotti):** Any further comment on this particular motion that we're on? Any further comment? Okay, a recorded vote has been called for.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Okay, that's carried.

Just before we carry this section as amended, if that's the will of the committee, the clerk has alerted me to one of the previous motions that we've just dealt with here that Mr. Yurek read into the record, number 6. If you want to take a look at that, it looks like we have missed a couple of words that need to be added into this amendment:

"I move that subsection 4(2) of the bill be amended by striking out 'call centre's' and substituting 'call system's'." "Striking out" was not included, so we're going to amend that, if that's okay with committee, add that in, and call for a recorded vote on the amended motion.

All those in favour of the amended motion for number 6?

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Okay, that's carried.

That's all of the amendments in this section. Shall section 4, as amended, carry?

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Okay, that's carried.

Section 5, Conservative motion: Mr. Bailey.

**Mr. Robert Bailey:** Yes, I move that subsection 5(1) of the bill be amended by striking out the portion before paragraph 1 and substituting the following:

"(1) A person or entity described in one or more of the following paragraphs is a member of the corporation if the person or entity owns or operates underground infrastructure."

Mr. Chair, an explanation of this: This amendment removes the time requirement and moves it to a latter part of the bill. If we go to amendments under subsection 5(2), it explains that in a little more detail. It's house-keeping language.

**The Chair (Mr. David Oraziotti):** All right. Any further comment on motion 7? Recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Carried.

Conservative motion number 8.

**Mr. Robert Bailey:** I move that paragraph 7 of subsection 5(1) of the bill be struck out.



The reason for this, Mr. Chair: This was removed as it is included by what is said in paragraph 8 of subsection 5(1), and it was deemed repetitive.

**The Chair (Mr. David Oraziotti):** Okay. Any further comment on Conservative motion number 8? Ms. Mangat.

**Mrs. Amrit Mangat:** Our comment is supportive of reducing hits to underground infrastructure. Safety is our number one priority. Having said that, this bill has major public safety issues, especially when gas lines are involved; they are the greatest public safety risk. When hit, it poses a safety risk. It would also cause municipalities concern as well. The gas industry is the main proponent of the bill and the prime defender of the corporation.

**The Chair (Mr. David Oraziotti):** Okay. Mr. Bailey has indicated that there's a duplication on this section, is that—

**Mr. Robert Bailey:** Yeah, if we left in paragraph 7, from my understanding, it would require anyone with a propane line under their own property to join as full members of Ontario One Call. An example would be gas stations etc. All other gas and oil pipeline companies are already covered by paragraphs 6 and 8.

**The Chair (Mr. David Oraziotti):** Mr. Miller, do you want to elaborate? It sounds like there was a concern raised around exemption of gas companies.

**Mr. Paul Miller:** There's no exemption. Actually, it's covered in 6 and 8. Except this one is repetitive, so the concern was, as Mr. Bailey spoke about, private property and who would be responsible for that situation. We certainly didn't want to make private property owners, whether it be farmers or anybody, have to join the system, because it will be covered under the person who's doing the digging.

1430

So if they come onto your property and do the work, they are responsible. That's covered in 11. When you guys were looking at 10, 11 and 12, that's covered there. It was repetitive, so we simply want to delete it.

**The Chair (Mr. David Oraziotti):** Okay. Any further comment on number 8?

**Mr. Paul Miller:** Mr. Chair, sorry—18 may have been the same thing. They had shown concerns about 8 and 18. I think it's in the same ballpark, and they're covered by other amendments that go hand in hand later on, that cover that. So when we get to 18, it may be omitted as well. I'm not sure what Mr. Bailey wants to do on that one.

**Mr. Robert Bailey:** I haven't got that far yet.

**The Chair (Mr. David Oraziotti):** Okay. Any further comment on 8? A recorded vote has been called for.

#### Ayes

Bailey, Campbell, McDonell, Paul Miller, Yurek.

#### Nays

Coteau, Dickson, Mangat.

**The Chair (Mr. David Oraziotti):** The motion is carried.

Section 5, subsection (2), Conservative motion 9: Mr. McDonell. Go ahead.

**Mr. Jim McDonell:** I move that subsection 5(2) of the bill be struck out and the following substituted:

"Members to provide information

"(2) A member of the corporation shall provide, at the time or times specified in the regulations, such information to the corporation as is necessary for the corporation to fulfil its objects.

"When current persons or entities to become members

"(3) Subject to subsection (4), if, on the day this act comes into force, a person or entity described in subsection (1) is not a member of the corporation, the person or entity is deemed to become a member on the first anniversary of that day, unless admitted to membership before that day.

"When current municipalities to become members

"(4) If, on the day this act comes into force, a municipality described in paragraph 1 of subsection (1) is not a member of the corporation, the municipality is deemed to become a member on the second anniversary of that day, unless admitted to membership before that day.

"When current members to provide initial information

"(5) A person or entity who becomes a member of the corporation under subsection (3) or (4) shall provide, immediately upon the person or entity becoming a member, such initial information to the corporation as is necessary for the corporation to fulfil its objects."

**The Chair (Mr. David Oraziotti):** Thank you. Any further comment, further debate, on motion 9?

**Mr. Jim McDonell:** The amendment permits municipalities more time—an extra year—to join the One Call system after the bill receives royal assent. This is done partly to give municipalities more time and partly to give the Ontario One Call system more time to prepare for the new members.

**The Chair (Mr. David Oraziotti):** Okay. Thank you. Further comment? A recorded vote's been called for.

#### Ayes

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** The motion is carried.

Shall section 5, as amended, carry? Recorded vote.

#### Ayes

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** It's carried. Thank you.

Section 6, Conservative motion 10: Mr. Yurek, go ahead.

**Mr. Jeff Yurek:** I move that section 6 of the bill be struck out and the following substituted:

“Where infrastructure affected by dig

“(6(1) If a member of the corporation receives a notification from the corporation about a proposed excavation or dig that may affect underground infrastructure owned by the member, the member shall,

“(a) mark on the ground the location of its underground infrastructure and provide a written document containing information respecting the location of the underground infrastructure; or

“(b) state in writing that none of its underground infrastructure will be affected by the excavation or dig.

“Member to respond within five days

“(2) The member shall make all reasonable attempts to do the things required by subsection (1) within five business days of the day the member receives notification about the proposed excavation or dig, unless there is a reasonable expectation that the excavation or dig will not start within 30 business days of the day the member receives the notification.

“Time limits

“(3) The time limit set out in subsection (1) shall not apply and a different time limit shall apply if,

“(a) the member and the excavator agree to a different time limit; or

“(b) the regulations set out a different time limit applicable to the circumstances.”

This requires that members provide excavators with a written document containing information respecting the location of the underground infrastructure to check against the locates drawn on the ground by the member of Ontario One Call. This is a safety measure to protect against incorrectly drawn locates, such as what occurred with the Bloor Street explosion in 2003.

**The Chair (Mr. David Oraziotti):** Any further comments? Mr. Bailey?

**Mr. Robert Bailey:** Yes, I'd just like to add a little more detail to that. When the pipeline companies were explaining this and when we worked with them to help draft this, in the industry—and this is kind of legalese—they refer to this as “matching paint to paper.” When they go out to do the locate on your lawn or on the street or on the boulevard, and they put the paint or flags down to mark the delineations of any infrastructure, they also would have a drawing so that they would go out and actually see that what the paper says matches what the locator has found. Inadvertently, I think, in that other circumstance that I talked about there, there was a gap. The one drawing stopped at one end of a building, and someone came out to do another locate about a week later and started at the other end of the building. The piece of ground in between was where the incident took place.

This would put that onus on the excavator and the locator to do that, to actually match paint to paper.

**The Chair (Mr. David Oraziotti):** Any further comment on amendment 10? Ms. Mangat.

**Mrs. Amrit Mangat:** In my opinion, Chair, amendments 10, 11 and 12 are interlinked. It needs further debate and it needs further discussion and clarity, because this amendment begins to transfer liability to excavators, in my opinion, which is not right. It's not a good policy because the infrastructure owner needs to be clear on where that infrastructure lies. It further creates an uncertain threshold for enforcement.

I need further discussion; I need further clarity. I need further comments on it.

**The Chair (Mr. David Oraziotti):** Any response, Mr. Bailey?

**Mr. Robert Bailey:** Mr. Miller, would you like to comment first? I've already talked.

**Mr. Paul Miller:** Yes. I think that's a good question—

**The Chair (Mr. David Oraziotti):** Mr. Miller, can you just move the microphone a little closer to you? We can hear you, but just for recording purposes. Thank you.

**Mr. Paul Miller:** Sorry.

That's a good question, and I think I can solve the problem here.

What it is is that, for instance, when you have private property—it may be a farm situation or whatever—and you send people in to dig, it's not the responsibility of the landowner; it's the responsibility of the person doing the excavating. They will have had their clearances from One Call. Any additional information that is required from the landowner—I'm sure that they would provide that. If there was some hidden propane line to the house or something, it would be responsible of the owner, knowing full well that they're going to dig, to at least notify the people doing the digging that there could be a line on the property. They're not held liable for that, but the people doing the digging would certainly go through One Call and clarify whatever they need.

I think if there are any hidden things, it would be up to the owner of the land to make at least the people doing the construction aware of it.

**The Chair (Mr. David Oraziotti):** Mr. Bailey?

**Mr. Robert Bailey:** I'd just like to add to what I said before. This puts the onus on the excavator and the locator, who is there representing the owner of the utility, whether it's hydro or gas, to make sure that that drawing they're going to give to that excavator to do that excavation actually matches what the document says where the actual locate is done in the field is actually represented on the paper. So, like I say, in the trade, it's called matching paint to paper. That's what they call it.

I understand what happened in this Bloor Street example, so I think that this would go a long way to preventing those types of incidents again.

**The Chair (Mr. David Oraziotti):** Further comment? Ms. Mangat?

**Mrs. Amrit Mangat:** Chair, can you ask member Bob Bailey to clear it for me? In the original bill, you were asking for five business days to locate, right? But why



are you changing it to making “all reasonable attempts”? What’s the logic behind it?

**Mr. Robert Bailey:** Say the locate wasn’t going to take place and the excavator said, “Look, I don’t intend to do that. I’m not going to start within the first five days.” Some of the people we heard from said—and I won’t name any of the companies, but some of the companies were very good to respond within 48 hours. There were other utility operators who would maybe show up two, three weeks later, so that would necessitate those original people going back. It was to allow them to talk together and say, “Look, we don’t intend to start this excavation for two weeks,” so that it would give them a little bit more flexibility about when they would come out to do the locates.

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I think the wording was a little firmer before, like you had to start within so many hours. This was to give them a little bit more flexibility. Five business days would be 100-and-some hours, right? So it would give them a little bit more flexibility. That was why that was changed, to give a little bit more flexibility to both the utilities and to the excavator to work together.

Jim, you worked in the trade. Does that make sense to you?

**The Chair (Mr. David Orazietti):** Mr. Miller?

**Mr. Paul Miller:** A further explanation is, some of what the companies were saying, when they made their presentations: Sometimes they’d be all ready to go and there’d be one group holding them up and they’d take a month. It was time-consuming and certainly costly to the people doing the excavation, as well as the businesses or whoever was getting the locate done, to start the process of—it was basically holding up everything.

What we’ve done is given them a five-day period that they have to answer within, and that should suffice to allow all utilities to respond in a certain level of time. Because if one utility drags their feet, then it holds up the whole thing, and it’s very costly to the province and the municipality.

**Mrs. Amrit Mangat:** So what kind of mechanism for enforcement do you suggest?

**Mr. Paul Miller:** Well, there would be penalties. If they don’t respond, there will be penalties. That’s covered in, I believe, number 12, isn’t it, Bob, about the regulations? That would fall under regulations.

**Mrs. Amrit Mangat:** Okay.

**Mr. Paul Miller:** We haven’t cut that all out exactly on the regulations, but that would be up to whoever—

**Mr. Robert Bailey:** Yes, and there was one more addition that I was just reminded of. For an example—and this is an extreme example. But say the city of Toronto, Toronto Hydro, called up Ontario One Call and said, “We’re going to do 5,000 drill locations tomorrow; we’re going to start next week.” Well, they couldn’t possibly do all those locates; it just would be physically impossible. But the onus would be on them to set some type of schedule to meet, as Mr. Miller said, and to agree on what’s reasonable. But they’ve made the notification; they know that the work is going to take place, and there

would be some type of plan put in place to actually do the locates and to plan for the work.

**The Chair (Mr. David Orazietti):** Ms. Mangat?

**Mrs. Amrit Mangat:** So what kind of penalties would you suggest?

**Mr. Robert Bailey:** Sorry?

**Mrs. Amrit Mangat:** What kind of penalties—

**Mr. Robert Bailey:** Penalty?

**Mrs. Amrit Mangat:** Yes.

**Mr. Robert Bailey:** We haven’t got to the penalties. The penalties are covered under 18—I’m not sure. The penalties are under section 12.

**Mrs. Amrit Mangat:** Yes, that’s why I’m saying they’re interlinked—10, 11 and 12.

**Mr. Robert Bailey:** Oh, yes. Okay. Good thing we’ve got assistance. The penalties would be left for the minister. They would set them under regulations, so that would be up to the minister of the day and the government, working with the industry and with his advisers to set those actual penalties, but I think we cover them under 12.

**Mrs. Amrit Mangat:** Okay. Thank you.

**Mr. Robert Bailey:** Thank you.

**The Chair (Mr. David Orazietti):** Jim, go ahead.

**Mr. Jim McDonell:** I think this is reasonable. Some of these projects can be very large and you don’t want them holding up construction, because even five days is considerable, if you’re talking about a project. If it’s a large project, you don’t want to locate it too early, either. So I think it just allows for that—it gives an overall project to be issued. Of course, there’s some discussion held as to when they’ll do each component.

**The Chair (Mr. David Orazietti):** Okay. Any further comment on motion 10? A recorded vote has been called for.

#### Ayes

Bailey, Campbell, McDonell, Paul Miller, Yurek.

#### Nays

Coteau, Dickson, Mangat.

**The Chair (Mr. David Orazietti):** The motion is carried.

On that same section, there are no other amendments.

Shall section 6, as amended, carry? A recorded vote has been called for.

#### Ayes

Bailey, Campbell, McDonell, Paul Miller, Yurek.

#### Nays

Coteau, Dickson, Mangat.

**The Chair (Mr. David Orazietti):** The section is carried, as amended.



Conservative motion number 11, a new section 6—pardon me. Yes, 6.1—sorry. Conservative motion number 11: Go ahead, Mr. Bailey.

**Mr. Robert Bailey:** I move that Bill 8 be amended by adding the following section:

“Excavator duties re locates

“6.1(1) For the purposes of this section, a member of the corporation properly provides a locate if,

“(a) it makes a mark on the ground indicating the location of its underground infrastructure; and

“(b) it provides a written document containing information respecting the location of its underground infrastructure.

“Same

“(2) No excavator shall commence an excavation or dig unless,

“(a) it has contacted the corporation to request locates for all underground infrastructure that may be affected by the excavation or dig;

“(b) each member that owns or operates underground infrastructure that may be affected by an excavation or dig has properly provided locates for its affected underground infrastructure or has stated in writing that none of its underground infrastructure will be affected by the excavation or dig; and

“(c) if locates are properly provided, the excavator has ensured that the locate markings on the ground do not conflict with the written information provided respecting the underground infrastructure.

“Same

“(3) No excavator shall excavate or dig in a manner that the excavator knows or reasonably ought to know would damage or otherwise interfere with any underground infrastructure.”

Mr. Chair, the logic, the reasoning behind this clause simply lays out the duties of members of Ontario One Call which would be created by this bill if it was to pass: the requirement to call before you dig and the responsibility for those same excavators not to dig until the underground infrastructure is identified. I think the one clause in there more properly explained what I was referring to as paint to paper, where it says there's an onus on the excavator to see that what the permit says actually matches the physical location in the field.

**The Chair (Mr. David Oraziotti):** Thank you. Further comment or debate on this motion? Ms. Mangat?

**Mrs. Amrit Mangat:** Chair, I have a question. In amendment 13, you are pulling out that “erases a mark.” In 11, you are saying that mark should be there; right? “It makes a mark on the ground indicating the location of”—why? It's not clear. In 11, you are supportive of it; in 13 you are pulling it out. It's not clear. I want to know why.

**Mr. Robert Bailey:** In 11, I think the onus is on—what it said there under 6.1(2), it says, “if locates are properly provided”—that's the paperwork—then it's the onus on the excavator who's actually in the field doing the work. He needs to ensure that the locate markings on the ground, whether it's paint or whether it's flagged or a

combination of those, do not conflict with the written information on the permit. There's a written permit. We handed some of those out, I think last week, in that book.

If he does see a discrepancy, the onus would be on the excavator, as far as I'm concerned, to not go any further until he has it rectified. He wouldn't blindly go ahead if there's some obvious discrepancy between what the paperwork says and the drawings on the ground. He matches those up. Then the onus would be on that excavator or anybody—a supervisor in the field—to say, “Wait a minute; we need to bring these people back and do a little more groundwork to make sure they do match.” I'm not sure if that answers Ms. Mangat's question.

**The Chair (Mr. David Oraziotti):** Mr. Miller wants to comment on this issue as well. Go ahead, Mr. Miller.

**Mr. Paul Miller:** This is basically a failsafe system. It's a second check to make sure that the coordination between the locate person and the paperwork provided to the locate person is on the mark. So, really, it's probably better. It's beneficial, rather than just relying on just one direction. So that's all that is.

**The Chair (Mr. David Oraziotti):** Thanks, Ms. Mangat. Mr. McDonell, go ahead.

**Mr. Jim McDonell:** I was going to say that if you work with excavators at all, even though they may know something is there, especially if it's a utility that may not actually hurt them, like Bell or Rogers, the idea will be, “If it's not right and the markings aren't right, I don't care.” I think this gives them the responsibility, if they know it's wrong, to actually get it clarified, or if they're not clear.

**Mr. Robert Bailey:** Yes, and I think when we do get to 13 it does go into greater detail, Mr. Chair, when we get there. It talks about where markings may be erased accidentally during construction work, because they know they're working there in the field and they're not as concerned. But there would still be an obligation on the excavator to make sure he complied originally with the obligations, and that the locate markings and paper documentation do not conflict, and that the excavation is conducted in accordance with the original locate.

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**The Chair (Mr. David Oraziotti):** Okay. Any further comment? Yes, go ahead.

**Mr. Paul Miller:** Further to that—being from construction—when you're on a site, a lot of times the paint markings get removed by excavators or accidentally by graders. Things happen, so you have to have a backup system to be able to relocate when necessary, when the paperwork coincides with the actual markings. Sometimes you'll lose the paint markings. It could be rain; it could be mud. Things happen. That's all that is.

**Mrs. Amrit Mangat:** Thank you.

**The Chair (Mr. David Oraziotti):** Any further comment on this motion? Okay, a recorded vote has been called for Conservative motion number 11, creating a new section, 6.1.



**Ayes**

Bailey, Campbell, McDonell, Paul Miller, Yurek.

**Nays**

Coteau, Dickson, Mangat.

**The Chair (Mr. David Oraziatti):** It's carried.

Conservative motion number 12, section 7: Mr. McDonell, go ahead.

**Mr. Jim McDonell:** I move that subsection 7(1) of the bill be amended by striking out "section 5 or 6" and substituting "section 5, 6 or 6.1".

This amendment has been added to make it an offence not to comply with section 6.1.

**The Chair (Mr. David Oraziatti):** Further comment on that?

**Mr. Robert Bailey:** I think it's self-explanatory.

**The Chair (Mr. David Oraziatti):** Any comments, questions? Mrs. Mangat.

**Mrs. Amrit Mangat:** This amendment imposes penalties. It does impose penalties relating to new duties imposed on excavators. There is no enforcement mechanism for these new duties. Is there any enforcement mechanism for the new duties?

**Mr. Robert Bailey:** Mr. Chair?

**The Chair (Mr. David Oraziatti):** Go ahead.

**Mr. Robert Bailey:** There's a number of penalties already. I don't have it in front of me, but I think there are at least three acts. Under the construction safety act, there are three different pieces of legislation that already obligate excavators and utility owners to do certain things. I don't have the paperwork right in front of me, but I know there are penalties that are already enforced. I think I'm going to get a copy of it here in a second—

**The Chair (Mr. David Oraziatti):** It may be coming.

**Mr. Robert Bailey:** —right in my hot little hand here. Yes, in my hot little hand, I have, Mr. Chair, if I could read it into the record, (1) under the Occupational Health and Safety Act and regulations, Ontario regulation 213/91, Construction Projects; (2) the Technical Standards and Safety Act, 2000, and regulations, including Ontario regulation 210/01, Oil and Gas Pipeline Systems; and (3) the Electricity Act, 1998, and regulations, including Ontario regulation 22/04, Electrical Distribution Safety.

There are a number of regulations out there now, and legislation is already in force to enforce penalties on excavators and utility owners to do the right thing. This bill, Bill 8, should it pass, is only to make it mandatory for people to call before they dig, to try and eliminate any near-misses, any injuries to people and infrastructure, especially individuals—humans—in the first case, but of course, infrastructure as well, because of the costs to society and to the economy.

**The Chair (Mr. David Oraziatti):** Mrs. Mangat.

**Mrs. Amrit Mangat:** But do you think it creates legal uncertainty?

**Mr. Robert Bailey:** Sorry, ma'am?

**Mrs. Amrit Mangat:** Does it create legal uncertainty?

**Mr. Robert Bailey:** Legal uncertainty?

**Mrs. Amrit Mangat:** Yes.

**Mr. Robert Bailey:** Not in my opinion. We might have to ask the legislative counsel to comment on that. She has reviewed these. Mr. Chair, with your permission?

**Ms. Catherine Oh:** If you'd just like to look at section 8, clause (g), it says that regulations can be made specifying the fines to be paid. So, clearly, the enforcement mechanism set out here is that if you don't comply with section 6.1, you could be subject to a fine, the amount of which is still to be established by regulation.

**Mrs. Amrit Mangat:** Okay, thank you.

**The Chair (Mr. David Oraziatti):** Okay. Any further comment?

A recorded vote has been called for.

**Ayes**

Bailey, Campbell, Coteau, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziatti):** The motion is carried.

Conservative motion number 13: Mr. Yurek, go ahead.

**Mr. Jeff Yurek:** I move that subsection 7(2) of the bill be struck out.

This concept was moved to subsection 5(2). It was changed to an obligation to ensure that locate markings and paper documentation do not conflict. Markings may be erased incidentally during construction work without a safety concern so long as the excavator complies with the new section 5 and confirms that the locate markings and paper documentation do not conflict, and that the excavation is conducted in accordance with the locate.

**The Chair (Mr. David Oraziatti):** Okay. Thank you. Any further comment on motion 13? A recorded vote has been called for.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziatti):** Carried.

Shall section 7, as amended, carry?

**Ayes**

Bailey, Campbell, Coteau, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziatti):** Thank you. That's carried.

Next motion, Conservative motion 14, section 8: Mr. Bailey.

**Mr. Robert Bailey:** Yes. I move that clause 8(b) of the bill be amended by striking out "call centre" and substituting "call system".

Again, this amendment is to change the wording “call centre” to “call system,” clarifying the language. It’s intended to clarify that the bill requires a single province-wide phone number and a system to call before you dig. However, this bill would allow for multiple call systems under the Ontario One Call umbrella. The industry might decide that they need one in the north—they already have one, I think, located in Guelph—they might decide, as time goes on, that they might need something in Toronto or somewhere else. So this would allow that, but there’d still be one number you’d call called One Call system, but more than one operation.

**The Chair (Mr. David Orazietti):** Okay. Any further comment on 14? Seeing none, recorded vote.

### Ayes

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Orazietti):** It’s carried. Thank you.

Conservative motion 15: Mr. McDonell.

**Mr. Jim McDonell:** I move that section 8 of the bill be amended by adding the following clauses:

“(c.1) specifying times when a member must provide information under subsection 5(2);

“(c.2) governing fees to be paid by members of the corporation;”

This amendment gives the minister oversight of how quickly mapping information must be provided to One Call system after a member joins and the payment structure of the Ontario One Call system.

**The Chair (Mr. David Orazietti):** Thank you. Any further comment? Go ahead, Ms. Mangat.

**Mrs. Amrit Mangat:** I have a question. Who would set the fee? Who would set fees?

**Mr. Robert Bailey:** Oh, fee?

**Mrs. Amrit Mangat:** Yes.

**Mr. Robert Bailey:** The fees would—

**Interjection:** All the members.

**Mr. Robert Bailey:** All the members. It’s a new corporation that’s going to be set up. This is a non-profit corporation. There would be members represented there from all across the spectrum, whether it’s industry, utilities or excavators. Those are the people—I think they give testimony where their costs have gone from \$2.80 or \$2.60 a call down to \$1.60, whatever the numbers were. So they would intend to, as I understand it, drive those costs down, and it would be incumbent on those members who are part of that corporation and who provide those memberships to make sure that those costs are kept reasonable as they bring more members on board. And—

**Mrs. Amrit Mangat:** And—sorry, go ahead.

**Mr. Robert Bailey:** And I said that the minister, obviously, would have oversight over that through the ministry as well. It says in there—you know.

**Mrs. Amrit Mangat:** And who would collect that fee?

**Mr. Robert Bailey:** The non-profit corporation would collect the fee, and that would help pay for the operation of the call systems.

**Mrs. Amrit Mangat:** Okay. And what would the government have the power to do? Would the government have any role to play in that?

**Mr. Robert Bailey:** The government?

**Mrs. Amrit Mangat:** Yeah.

**Mr. Robert Bailey:** Yeah. I think that, through the Chair, Ms. Mangat, the government, through the minister, would provide oversight through that ministry, because the One Call system would certainly be under the purview of the minister because he would have input as to the mapping—and I’m sure that TSSA, all of those people who operate through that ministry would have input and oversight of this new non-profit corporation.

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**Mrs. Amrit Mangat:** Thank you.

**The Chair (Mr. David Orazietti):** Okay. Mr. Coteau?

**Mr. Michael Coteau:** A quick question. It was my understanding that the members of the organization, or the people who use the organization, would pay a fee per call, and that money that was collected would pay for the corporate fees. Correct?

**Mr. Robert Bailey:** Yes.

**Mr. Michael Coteau:** But here it sounds like the 16 members—is it 12 or 16 members of the corporation that sit on the board?

**Mr. Paul Miller:** Twelve.

**Mr. Michael Coteau:** So the 12 members would be paying for the actual operation of the organization, period.

**Mr. Robert Bailey:** All of the members—is it \$1.60 a call? I’m not sure.

**Mr. Jim McDonell:** Averaged out.

**Mr. Robert Bailey:** Jim, do you want to—

**Mr. Jim McDonell:** I think everybody in the province who has an underground structure will pay, based on their locates. The excavators would not be charged; it would be a free service to them. But anybody that has an underground structure would pay to locate it.

**Mr. Michael Coteau:** So, all organizations and municipalities that are required or mandated to use the One Call system—are they all considered members?

**Mr. Robert Bailey:** I can answer that one. Yes, they’re all considered members. I just was reminded that those 12 members—or 16, whatever it is—that are on the corporation: They’re only elected by the bodies. They’re not the only people paying. Everyone that uses that system—the utilities, the pipeline owners and municipalities—aren’t charged to date. I checked with some of the municipalities the other day, and they received the information, but they haven’t been charged.

**Mr. Michael Coteau:** Just so I’m clear, all people who use the service are members of the corporation.

**Mr. Jim McDonell:** What do you mean by “use”?

**Mr. Michael Coteau:** It says, “governing fees to be paid for by members of the corporation.”



**Mr. Robert Bailey:** Everybody that's a member of the—it wouldn't be the general public, but it would be—

**Mr. Michael Coteau:** No, I mean anyone who is mandated to use the service as a member.

**Mr. Robert Bailey:** Yes, they're all members, and those members—I don't remember the structure—

**Mr. Jim McDonell:** The members would be anybody that has underground structure.

**Mr. Michael Coteau:** Pardon?

**Mr. Robert Bailey:** Infrastructure.

**Mr. Jim McDonell:** Anybody that has underground infrastructure.

**Mr. Michael Coteau:** Anyone who uses this service—

**Mr. Jim McDonell:** If you mean people who call in for locates, they aren't users, under this bill. It would just be the people—the propane companies, your communication companies, gas companies, hydro—

**Mr. Michael Coteau:** Maybe I'm missing something. It says, "governing fees to be paid for by members of the corporation." So the 12 members are paying the governing fees, or all the required users are paying the governing fees?

**Mr. Robert Bailey:** All of the users.

**Mr. Michael Coteau:** So those users are members of the corporation.

**Mr. Robert Bailey:** Yes.

**Mr. Michael Coteau:** Yes. Okay, so it's clear. Thank you.

**Mr. Robert Bailey:** It's on page—if you have the bill—

**Mr. Jim McDonell:** Unclear about the word "user."

*Interjections.*

**Mr. Robert Bailey:** Yes, I can read into the record.

**Mr. Paul Miller:** No, he's right. They're all members, once it's mandated.

**Mr. Robert Bailey:** I'll just take a moment here. It says here: "Within 12 months after the day this act comes into force, the following persons and entities shall become members of the corporation."

**Mr. Michael Coteau:** Perfect. Clear enough.

**Mr. Robert Bailey:** Do you want me to—

**Mr. Michael Coteau:** No, that's clear enough.

**Mrs. Amrit Mangat:** So it means all the service providers will be paying the fee.

**Mr. Robert Bailey:** Yes. It says here, "every municipality in Ontario ... Hydro One ... Ontario Power Generation ... every gas distributor ... every gas transmitter ... every operator of a distribution system"—

**Mr. Paul Miller:** It doesn't fall on one set of shoulders. Everybody shares the cost.

**Mr. Robert Bailey:** Yes. Thank you, Mr. Chair.

**The Chair (Mr. David Oraziotti):** Okay, I think that's clear. Good.

Conservative motion 15 in section 8: Recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Okay. On the same section—that's all of the amendments—shall section 8, as amended, carry? Recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Okay. We'll go right to section 9. There are no amendments proposed in section 9.

Shall section 9 carry? Recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Oraziotti):** Okay. Now, section 10, NDP motion number 16: Mr. Miller, go ahead.

**Mr. Paul Miller:** Mr. Chairman, I'll just give a slight explanation on this one, 16. If number 16 passes with unanimous consent, then it will go through. If someone has a problem with it, then we go to 17, but I don't think it should be. I'll read it to you.

I move that section 10 of the bill be amended by striking out "Ontario One Call Act, 2011" and substituting "Ontario Underground Infrastructure Notification System Act, 2012."

This amendment changes the short title of the bill. It was requested by DigNORTH to give a generic name to the bill that does not name a specific corporation in the bill's name.

A further explanation, Mr. Chairman, is that we're changing the name of the original bill because it was named after a company, and you can't do a bill named after a company. That's all that is; it's just a change of the name. Everyone in the organizations were okay with it; everyone we've talked to is okay with it; DigNORTH is happy with it. So it's basically just to change the name, because we didn't realize at the time when we named the bill that you can't name it after a company.

**Mrs. Amrit Mangat:** So which name do you prefer? Which one are you choosing?

**Mr. Paul Miller:** We want the "Ontario Underground Infrastructure Notification System Act, 2012," instead of the other one. If everyone is okay with that, then we can strike 17. But everyone has to agree to this. Sorry; short title and long title—we have to do it.

**Mr. Robert Bailey:** Mr. Chair, I'd like to speak.

**The Chair (Mr. David Oraziotti):** Go ahead, Mr. Bailey.

**Mr. Robert Bailey:** As well as having drafted the bill and sponsored it with Mr. Miller from Hamilton East—Stoney Creek, I'd like to support the name change as well—when it was pointed out to us. I certainly support the NDP motion. At the end of the day, it's about getting the bill, as a whole, passed. What we call it is not an issue with me, so I want to indicate that the Progressive Conservative Party certainly supports the NDP motion.

**The Chair (Mr. David Orazietti):** Okay. Any further comment on 16? Seeing none, a recorded vote is called for. All those in favour of NDP motion number 16 on section 10?

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Orazietti):** Okay, that's carried.

Shall section 10, as amended, carry? All in favour?

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Orazietti):** Okay, that's carried, section 10. Thank you.

Section 17: Mr. Miller.

**Mr. Paul Miller:** I move that the long title—we were doing short; now we're doing long—of the bill be changed to "An Act respecting an underground infrastructure notification system for Ontario."

If the clerk is not comfortable with that and calls it out of order, we can move to 18, but I think it should be all right. We believe that the committee—if they do unanimous consent on this, it's all right.

**The Chair (Mr. David Orazietti):** Okay, let's hear the thoughts on that. Any concern around motion 17?

**Mr. Michael Coteau:** That's normal practice—short and long?

**The Chair (Mr. David Orazietti):** Yeah.

**Mr. Michael Coteau:** Okay; that's fine.

**Mr. Robert Bailey:** I have no objection to it, Mr. Chair.

**The Chair (Mr. David Orazietti):** Okay, all those in favour? Recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Orazietti):** Okay, that's carried. Mr. Miller on 18?

**Mr. Paul Miller:** We can strike 18, Mr. Chairman.

**The Chair (Mr. David Orazietti):** Withdrawn?

**Mr. Paul Miller:** Withdrawn.

**The Chair (Mr. David Orazietti):** Okay.

Okay, folks, a couple more items to vote on here. Shall the title of the bill, as amended, carry? Recorded vote; all in favour?

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Orazietti):** Okay, that's carried.

Shall Bill 8, as amended, carry? All those in favour? Recorded vote.

This is, to be clear—if you didn't hear what I was saying: Shall Bill 8, as amended, carry? This is voting on the bill, as amended. Shall it carry? All in favour?

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Orazietti):** Okay, that's carried.

Last question: Shall I report the bill, as amended, to the House? All those in favour? Recorded vote.

**Ayes**

Bailey, Campbell, Coteau, Dickson, Mangat, McDonell, Paul Miller, Yurek.

**The Chair (Mr. David Orazietti):** Okay, thank you. That's it. Bill is carried.

**Mr. Paul Miller:** Thanks, folks.

**Mr. Robert Bailey:** Thank you to all members of the general government committee—the government members, the members of the NDP third party and, of course, my caucus members—and to the legislative counsel and staff. I appreciate it, Mr. Chair. Thank you very much.

**The Chair (Mr. David Orazietti):** Thank you, members of the committee; that's it on Bill 8.

We'll have an email sent out around notification for a subcommittee meeting to deal with the committee's next order of business.

So that's it for today. Thank you very much.

*The committee adjourned at 1510.*









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## Legislative Assembly of Ontario

First Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Monday 7 May 2012

# Journal des débats (Hansard)

Lundi 7 mai 2012

## Standing Committee on General Government

Aggregate Resources Act review

## Comité permanent des affaires gouvernementales

Examen de la Loi sur  
les ressources en agrégats



Chair: David Oraziotti  
Clerk: Sylwia Przedziecki

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENTCOMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Monday 7 May 2012

Lundi 7 mai 2012

*The committee met at 1406 in room 228.*

## SUBCOMMITTEE REPORT

**The Chair (Mr. David Orazietti):** Good afternoon, folks. Welcome to the Standing Committee on General Government. Our first order of business is to adopt the subcommittee report. Can I have somebody read that into the record?

**Mr. Mike Colle:** Mr. Chair, I'll read the standing committee report into the record.

Your subcommittee on committee business met on Wednesday, May 2, 2012, to consider the method of proceeding on its review of the Aggregate Resources Act (ARA) and recommends the following:

(1) That the committee invite the following experts to provide a technical briefing on the ARA to the committee on Monday, May 7, 2012, during its regular meeting time: staff from the Ministry of Natural Resources; authors of the consolidated report titled State of the Aggregate Resource in Ontario Study (SAROS); and Mr. Gord Miller, Environmental Commissioner of Ontario.

(2) That each of the three above-mentioned experts be offered up to 30 minutes for their presentations, followed by up to 30 minutes for questions by committee members.

(3) That the committee hold public hearings on the ARA in Toronto, at Queen's Park, on Wednesday, May 9; Monday, May 14; and Wednesday, May 16, 2012, during its regular meeting times.

(4) That the committee invite the Ontario Stone, Sand and Gravel Association and the Association of Municipalities of Ontario to present to the committee on Wednesday, May 9, 2012; and that each of these two organizations be offered up to 15 minutes for their presentations followed by up to 15 minutes for questions by committee members.

(5) That the remaining four 15-minute time slots on Wednesday, May 9, 2012, be offered to groups who have to date registered a request to appear with the committee, and that these groups each be offered up to 10 minutes for their presentations followed by up to five minutes for questions by committee members.

(6) That any group or groups who have to date registered a request to appear with the committee that cannot be accommodated on Wednesday, May 9 be offered a time slot on Monday, May 14 or Wednesday, May 16, 2012, for their presentation.

(7) That the clerk of the committee, with the authorization of the Chair, post information regarding the committee's business (public hearings on Monday, May 14 and Wednesday, May 16, 2012) once in the Globe and Mail, the Toronto Star, L'Express, the Ottawa Citizen, Le Droit, and the Sudbury Star newspapers as soon as possible.

(8) That the clerk of the committee, with the authorization of the Chair, post information regarding the committee's business (public hearings on Monday, May 14 and Wednesday, May 16, 2012) in English and French on the Ontario parliamentary channel, on the Legislative Assembly website, and with the CNW newswire service.

(9) That interested people who wish to be considered to make an oral presentation on the ARA review should contact the clerk of the committee by 5 p.m. on Wednesday, May 9, 2012.

(10) That, following the deadline for receipt of requests to appear on the ARA review, the clerk of the committee provide the subcommittee members with an electronic list of all the potential witnesses who have requested to appear before the committee.

(11) That, if required, each of the subcommittee members provide the clerk of the committee with a prioritized list of the witnesses they would like to hear from by 12 noon on Thursday, May 10, 2012. These witnesses must be selected from the original list distributed by the clerk of the committee.

(12) That groups and individuals be offered 10 minutes for their presentations, followed by up to five minutes for questions by committee members.

(13) That the deadline for receipt of written submissions on the ARA review be 5 p.m. on Wednesday, May 16, 2012.

(14) That the clerk of the committee, in consultation with the Chair, be authorized to commence making any preliminary arrangements necessary to facilitate the committee's proceedings prior to the adoption of this report.

Mr. Chair, I move this report of the subcommittee and move that it be adopted.

**The Chair (Mr. David Orazietti):** Okay. Further debate or comment on the report? Mr. Coteau.

**Mr. Michael Coteau:** As you're aware, the subcommittee report before us has been produced as a result of a subcommittee meeting that took place last Thursday, May 3. The purpose of the meeting was, in part, to set the committee's schedule for the remainder of the legislative session and to discuss logistical matters related to the



upcoming hearings. It is unfortunate indeed that this meeting is not the first time the public is hearing about the contents of last week's subcommittee meeting. Instead, we all got to read about it in a press release put out by the member for Dufferin—Caledon on the weekend. The press release was entitled "Liberals and NDP Block Public Participation in ARA Review." The press release reads as follows:

"(Queen's Park)—This week Liberal and NDP members of the Standing Committee on General Government undertaking the review of the Aggregate Resources Act (ARA) teamed up to block travel outside Toronto and only set aside four partial days for public participation.

"Sylvia Jones, MPP, Dufferin-Caledon, expressed concern with the decisions. 'Four partial days of hearings is not sufficient to allow for meaningful public participation,' Jones said. 'In the last election the McGuinty Liberals promised that an in-depth review would take place and that there would be ample opportunity for public participation.'

"Clearly the Liberal government has broken this promise, and I am concerned that municipalities, industry representatives and residents most familiar with aggregates, residing in communities where aggregate extraction occurs, will be left out of the process.'

"We have an obligation to hear from the experts and they don't live in Toronto,' Jones said."

It later goes on to suggest when those dates will be and how people can connect with the Legislative Assembly to make a deputation.

We all got to read about the subcommittee's meeting in both the Caledon Citizen and the Orangeville Beaver. Both papers wrote stories—

**Ms. Sylvia Jones:** Orangeville Banner.

**Mr. Michael Coteau:** Both papers wrote stories as a result of the member for Dufferin—Caledon's press release. The story in the Citizen had the following headline: "Debate Limited on Aggregate Resources Act Review, Jones Says."

We then got to hear more about it this morning when the member for Haliburton—Kawartha Lakes—Brock stood in question period to discuss the deliberations of the subcommittee. Here's what she said:

"Again to the minister: Your Liberal members of the committee, as well as the NDP, blocked my suggestions to have extensive hearings—which you promised during the election—on the ... act."

I have two issues with what inspired in the press and one that transpired this morning in the House. First and foremost, what these two Conservative members have told the public about our subcommittee meeting of last week is simply not accurate. They do not accurately reflect what either the Liberal or the NDP members of the committee said or agreed to. We do not oppose having the committee travel and we did not oppose having the committee meet for more than four days.

Second, these two Conservative members violated a very important rule of this committee and this Legislature, which is that the discussion of in-camera proceed-

ings are to remain private until such time as they are reported to the committee and to the House.

As members, we have an obligation not to break the rules in this House and not to deliberately mislead the public and other members of the House, all for the purpose of political gain.

I'd ask the PC members of this committee to correct the record, or else I'll have no choice but to move forward with a formal complaint to the House.

In addition to that, I have a suggested amendment for the actual subcommittee report, which I'm hoping I can address afterwards. But at this opportunity, perhaps my colleague from the NDP has comments to add.

**Mr. Rosario Marchese:** Yes, I do, unless the—

**Ms. Sylvia Jones:** There is a speakers' list.

**The Chair (Mr. David Orazietti):** I've got that. Thank you very much.

Mr. Coteau, any further comments on that? You said you had an amendment.

**Mr. Michael Coteau:** I'd like to move my amendment. That would be great.

The amendment would be to add a number 15 to the minutes or at least the committee report, and it's that the committee agree to review the deputation dates and possible committee travel based on community interest.

**The Chair (Mr. David Orazietti):** Thank you, Mr. Coteau.

**Mr. Rosario Marchese:** Mr. Chair, just a few quick remarks—

**The Chair (Mr. David Orazietti):** I've got a list here.

**Mr. Rosario Marchese:** Put me on the list, Chair.

**The Chair (Mr. David Orazietti):** We'll get to it.

Ms. Scott, you had your hand up first.

**Ms. Laurie Scott:** Okay. I, too, had a motion to move. We did have a long subcommittee report. The dates of the hearings were published. The reaction from the limited debate came from the publishing of the dates that they were going to be limited to. I tried to articulate at length in the subcommittee meeting that this was a large undertaking that was going to occur and that we should have more meetings and they should be moved outside of Toronto. It was a very lengthy subcommittee meeting. The dates were going to be made public. They have to be advertised; correct? So the dates were made public.

I, too, have motions to add to the subcommittee on general government that don't reflect the long deliberation we had and the explanation of why we needed to go to on tour and why this committee needed to have a longer time to process. So if I can read those two motions—these would be amendments:

That the Standing Committee on General Government—

**The Chair (Mr. David Orazietti):** Do you know what?

**Ms. Laurie Scott:** No? Do you want me to hand them out?

**The Chair (Mr. David Orazietti):** Just comment on Mr. Coteau's motion about the amendment to the sub-



committee report. We'll deal with that and then we'll deal with your amendments.

**Ms. Laurie Scott:** Okay. So just what is your amendment in full again? I didn't write it all down.

**The Chair (Mr. David Orazietti):** Do you want to read that again, Mr. Coteau?

**Mr. Michael Coteau:** It is that the committee agree to review the deputation dates and possible committee travel based on community interest.

**Ms. Laurie Scott:** So, possible travel, I would certainly—

**The Chair (Mr. David Orazietti):** Which I think reflects the spirit of the subcommittee meeting that I was at or presided over. Do you want to comment on that?

**Ms. Laurie Scott:** It was also commented at that meeting that four days were enough to do that review of the ARA. So, agree to travel, we would like. When I'm able to read the amendments I'd like to do to the report, I want to certainly add that travel has to be done on this committee, but I'm not allowed to do that right now.

**Mr. Michael Coteau:** I've already done that. Mr. Chair, I'd just like to read it one more time because—

**Ms. Laurie Scott:** You didn't say, for sure, travel.

**Mr. Rosario Marchese:** Can you take my view and then go back and forth to the others, please?

**The Chair (Mr. David Orazietti):** Ms. Jones, on this motion?

**Ms. Sylvia Jones:** Yes.

**The Chair (Mr. David Orazietti):** Go ahead.

**Ms. Sylvia Jones:** While I very much appreciate the fact that you wanted to read my press release into the record, the member from Don Valley East must be able to see that the standing committee subcommittee clearly makes no reference to hearings beyond these four days of partial hearings that we have already reviewed in subcommittee, and, more troublesome, there is no reference to travel. In fact, even with your amendment suggested in 15, you say "possibly perhaps." Those are hardly words that I take any kind of comfort in hearing.

As for the fact that you are suggesting that I have done something wrong as an MPP by notifying my community about when public hearings have begun, which by the way was three days from the press release, is absolutely ludicrous. If there is anything that we have a responsibility to do as MPPs, it's to make sure that our members and our communities are aware of what's happening in Queen's Park.

The transparency of the subcommittee and the fact that they were trying to put four days with the equivalent of 12 hours of deputations—everyone must have realized that that was not going to be sufficient. We need to be able to travel across Ontario, where extraction is taking place, where communities can actually provide their input and, quite frankly, their expertise, because I must say, I question the members from Don Valley East, Eglinton–Lawrence and Mississauga–Brampton South knowing enough about the background of aggregate extraction in the province of Ontario to actually have a reasonable discussion on this ARA review.

**The Chair (Mr. David Orazietti):** Further comment? Mr. O'Toole.

**Mr. John O'Toole:** Thank you very much.

**The Chair (Mr. David Orazietti):** I saw his hand and then yours.

*Interjection.*

**The Chair (Mr. David Orazietti):** Yeah. His hand was up prior to yours. Go ahead.

**Mr. John O'Toole:** I'm here primarily to support my colleagues here but, more importantly, my riding, which is Uxbridge, Scucog and Clarington. It's a very important part of the extraction, as well as some other issues. I hope this is in context to the motion here, and I take that as a friendly addition that you're adding. The point is that for our ridings—for the most part, outside Toronto—resource extraction is a huge deal. As a courtesy to the participants there, I think that's important that members of the committee could learn.

I want to add one more additional thing. I want to be assured by the committee, and in fact the government members, that under this ARA review the whole issue of commercial fill will and should be addressed.

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I have spoken with Minister Gravelle on this on several occasions. I've had questions in the House on it. I have order paper questions, as well as a notice of motion on the order paper. There are several articles in the Globe and Mail and other commercial media indicating how important and timely including rehabilitation is.

If the members on the government side don't know what I'm referring to, this is a current issue before the courts with no clear direction from the province. That needs to be included in the discussion on the ARA review.

I put that out as a question. I'm looking forward to a response and a confirmation that that will be part—

**The Chair (Mr. David Orazietti):** We're on Mr. Coteau's motion right now, so we're going to deal with that first. I appreciate your interest in other areas of the review.

Mr. Marchese?

**Mr. Rosario Marchese:** I want, for the record, to say that I was disappointed in the question that Laurie Scott asked in the Legislature. We had discussed this in subcommittee and we said, "Let's see what reaction we get from the public after the four days of hearings," and we did not exclude at all the possibility of travelling and having more days. So while Laurie might have heard that four days is a lot that we commit to either a review or any bill, historically, under the Tories and under the Liberals, if more time was needed, we were quite prepared to do that. I had given my commitment to Laurie that we would review this at subcommittee later on this afternoon, and to be fair to the Liberals, they said as much.

I find the politicization of this issue troubling. I have to say this.

So I'm going to say to the mover of the motion: Let's accept the way the subcommittee report was drafted. Let's get back to our subcommittee, because we were



going to review, based on what we had heard, what we were going to do by way of more hearings and/or travel, to which Liberals and New Democrats are quite amenable. Don't introduce your motion at the moment, because having this debate here is not as useful, given that we have speakers whom we agreed to listen to. Otherwise, this will drag on, allowing these poor folks—maybe that's why they're here, to listen to this debate; I don't know. But I think they're here to listen to the Environmental Commissioner and the ministry. Then we'll move on to our subcommittee and deal with the other matters.

I think that's the best way to approach this—and try to do it as fairly and as decently as I think we're doing as a committee.

*Interjection.*

**The Chair (Mr. David Oraziotti):** The motion is on the floor, so—

**Mr. Mike Colle:** Can I speak to the motion?

**The Chair (Mr. David Oraziotti):** Yes, go ahead, Mr. Colle.

**Mr. Mike Colle:** Mr. Chair, as the parliamentary assistant to the Minister of Natural Resources, I just want to be very unequivocal. The minister is very clear that he wants full, wholesome meetings across the province, whether it be in Wawa or whether it be in Windsor, whether it be in Kawartha Lakes.

This committee can decide wherever it wants to go, as is usually done by subcommittee, and the ministry is in full support of wholesome meetings in any community the committee feels fit to go to. That was my impression about this process: that it was going to be an open and very lengthy and wholesome process.

Again, like the member from Trinity-Spadina, I'm a bit disappointed about the political gamesmanship. We don't need it. That is why I also want to put on the record that it was sort of a cheap shot to talk about how the members here may not come from your area of the province; we come from Toronto and the GTA. I want to let you know that you can't judge people by where they come from. I spent five years of my life walking across the Oak Ridges moraine, the greenbelt, all the way from the escarpment to the Northumberland highlands. I am quite familiar with some of these issues. I'm not an expert, but don't write us off unless you really give us a chance, please. That's all I say, Sylvia. I'm more than willing to learn. I do have some knowledge; not as much as you, perhaps. Please give us a chance.

**The Chair (Mr. David Oraziotti):** Just on the motion that's before us, as the individual who was chairing the subcommittee meeting from last week, I thought there was very clear and concise support for additional days, should additional days be required and should the committee be required to travel. If there was some kind of internal breakdown between members in the Conservative caucus about what was communicated—I'm also very disappointed that Ms. Scott would suggest that the committee was not prepared to travel or that the committee was not prepared to have additional days.

**Mr. Rosario Marchese:** David, you, as the Chair, are getting carried away. You shouldn't—

**The Chair (Mr. David Oraziotti):** Mr. Marchese, you have had your say on this matter. I was chairing the subcommittee meeting, and I think you've also articulated that our understanding at the subcommittee meeting was to have additional days and to travel. No one ruled out travel, and that was an understanding that I would assume Ms. Scott would have communicated to her caucus, indicating that that option was there. You asked us if you had our word on that and the committee unanimously consented to do that. So I am very, very disappointed in seeing this information that is misleading on what the subcommittee decided. It absolutely misled what was taking place last day.

**Mr. Rosario Marchese:** You were the Chair—

**The Chair (Mr. David Oraziotti):** I understand and I was there. I clearly recall what took place.

The matter is before us. If you want to vote on the amendment to reflect that—because obviously it was not communicated.

**Mr. Michael Coteau:** Mr. Chair, I'll withdraw—we do have a lot of people in the room who have come here to present. I'd like to refer the amendment to the subcommittee that's meeting at 5 o'clock today, I believe. We can have that discussion then, but I think MPP Marchese is absolutely right to suggest us moving forward, considering that we do have presentations scheduled for today.

**The Chair (Mr. David Oraziotti):** Mr. Coteau has withdrawn the motion to amend the subcommittee report. We'll leave the subcommittee report till 5 o'clock. Fair enough. Get on with the presentations.

**Ms. Sylvia Jones:** Just so I'm clear, we don't vote on the subcommittee report, but we proceed with hearing from Gord Miller, the Environmental Commissioner, and then we break at 5, the subcommittee members go into subcommittee and then we will vote on this—when? On Wednesday, when we reconvene? Because that's four hours out of 12 hours.

**The Chair (Mr. David Oraziotti):** We will vote on the subcommittee report as presented right now. We are agreeing to meet at 5 o'clock to further discuss subcommittee business.

**Ms. Sylvia Jones:** Well, I can't support the subcommittee report as written.

**The Chair (Mr. David Oraziotti):** Ms. Campbell.

**Ms. Sarah Campbell:** I'd like to ask for a 20-minute recess.

**The Chair (Mr. David Oraziotti):** Twenty-minute recess.

*The committee recessed from 1428 to 1447.*

**The Chair (Mr. David Oraziotti):** Okay, folks, let's take a look at the subcommittee report one more time. A 20-minute recess was called, so the first order of business now is to call for a vote. No further debate on the report. So I'm going to ask for a vote to accept the subcommittee report as presented. All those in favour? All those



opposed? It's carried. The subcommittee report is adopted.

**AGGREGATE RESOURCES ACT REVIEW  
ENVIRONMENTAL COMMISSIONER  
OF ONTARIO**

**The Chair (Mr. David Oraziotti):** All right. Let's move to our first order of business then: Mr. Gord Miller. Welcome to the Standing Committee on General Government. Thank you for taking the time to be here today.

**Mr. Gord Miller:** Is there one of these I should prefer? That's the one lit up, over there.

**The Chair (Mr. David Oraziotti):** Either one is fine.

**Mr. Rosario Marchese:** No, this side, this side, Environmental Commissioner, so I can hear you.

**Mr. Gord Miller:** Middle-age challenge, eh?

**Mr. Rosario Marchese:** It's getting worse.

**Mr. Gord Miller:** It's a pleasure to be here, Mr. Chair. I've been working on these files for a very long time—for a long time before I was Environmental Commissioner—so I'm very pleased to have this opportunity.

**The Chair (Mr. David Oraziotti):** Mr. Miller, thank you very much. You've got an hour for your presentation. We'd like, as indicated in the subcommittee report, about half an hour for your presentation and half an hour for questions and comments among members, about 10 minutes for each caucus. You can start. Simply state your name for the purposes of Hansard. You've done this before, so go ahead and start.

**Mr. Gord Miller:** Certainly. My name is Gordon Miller. I'm the Environmental Commissioner of Ontario. Again, I thank you for the opportunity.

I'm going to start by saying that a review of the ARA is necessary. Issues related to aggregate production have been the focus of much activity in the Environmental Commissioner's office over many years, driven by substantial public concern and frustration. I have reported to the Legislature on matters relating to the ARA 17 times in my 12 years of tenure.

Let me first acknowledge that aggregates are absolutely necessary for the functioning of our society. We use something on the order of 175 million tonnes per year and we will continue to do so, but we must do it in the most sustainable way possible to protect our cultural heritage and the ecological functioning of our landscape. But there certainly are problems, and many of the problems are confirmed by the MNR itself. There are also opportunities for improvements that will improve or mitigate the environmental impacts and lessen the social strife associated with siting and operating these facilities, while assuring that we have sufficient aggregate available at a reasonable price to sustain a vibrant economy.

But before I get on with some specific observations on the topics listed in your agenda, there is one aspect of aggregate resource management and the ARA that has to be clarified. The ARA itself is quite short and does not

contain a lot of detail with respect to the actual administration processes involved in aggregate extraction. Much of the detail on what is required to site, operate and report on compliance of a pit or quarry is set out in what are called the provincial standards, which are specified by regulation, and also the aggregate procedures manual, which is a policy document utilized by MNR staff. The provincial standards are straightforward enough, but are markedly out of date, having not been updated since 1997. The manual is reasonably current, but it consists of 700 pages of material and refers to 180 policies and procedure, so it's quite complex. The point is, most of the problems and complaints that you will hear about in these hearings, from myself, municipalities, citizens and even the industry, arise from matters laid out in the provincial standards, and to some extent the manual, not the act per se. This is not to say that the Legislature cannot change the act to solve problems; of course it can. It's just important to note that you'll have to look at the provincial standards, at least, to fully understand the scope and nature of the problems.

There's another matter that must be addressed off the top of this presentation. There are three arguments that have been used for decades now to justify the present regulatory system with all its flaws. They are sure to be raised again in this review, so I would like to give you my observations on their relevance and validity.

The first is that aggregates must be excavated close to market. The big market for aggregates is the urban development of the greater Golden Horseshoe, of course. It always makes sense to minimize haul distances, because almost all the stuff moves by truck. The problem is that everything wants to be close to the major urban centres, and in the past 20 years there have arisen many competing residential and commercial land uses. Pit and quarry applications are being pushed onto the last remnants of natural and cultural heritage, usually in proximity to residential neighbours. This is a formula for conflict, and we have many. But the argument that we must extract close to markets is moot anyway, because most, almost all, the stuff has been extracted or is under licence and will be gone in a decade or two. The new resources of significant quantity are further away, and we need to get the discussion back to how we are going to get that material into the urban centres with minimal energy use and greenhouse gas emissions, and that might involve something different than trucks.

The second argument that's used is that aggregate extraction is an interim use of the land. The implication of this interim use argument is that it trivializes the impacts of extraction and implies the land will be returned to the same use. It also implies a short period of time over which there is a disturbance. Both concepts are misleading. There are some pits that start as agricultural land and after extraction have been rehabilitated back to similar use, but this is not the norm. Because of the competitive pressure for land, pits now are often rehabilitated to residential or commercial developments. Quarries, by contrast, permanently and profoundly re-



structure the land, its hydrology and its living systems. There is nothing interim about them.

Commonly today, both pits and quarries are extracted to depths below the water table. The long-term results on abandonment is a small lake largely sterile of aquatic life. Turning land into a lake is not an interim use. I submit that the decision to license a parcel for major aggregate extraction is, in almost every case, a multi-decade or permanent alteration of the nature and capacity of the land, and the decision should not be trivialized because of a mythology that it is an interim use.

The third argument is that need cannot be a criterion of the approval process; that is to say, the need for the aggregate. In the 2005 provincial policy statement, it says that “demonstration of need for mineral aggregate resources, including any type of supply-demand analysis, shall not be required, notwithstanding the availability, designation, or licensing for extraction, of mineral aggregate resources locally or elsewhere.” That’s right in the provincial policy statement. Some municipalities have argued that they wouldn’t approve any other land use without full and open justification of need. Even in areas of the province where the municipality and the public know there are ample reserves, the municipality cannot require an applicant to demonstrate need. Why not? If there are large areas under licence, shouldn’t it be reasonable to consider when we’re asked to sacrifice a rare element of our natural heritage or some aspect of our cultural heritage?

The background to this is that the best aggregate deposits are not spread evenly across the landscape. The geology is patchy. Some municipalities happen to sit on top of excellent deposits. Those municipalities are obliged to keep huge portions of their landscape open to aggregate resource for the benefit of other areas and the larger public interest. As a result, we get clusters of aggregate operations, the so-called Swiss cheese syndrome, with holes across the landscape. Some parts of Ontario are pockmarked by bare and exposed land for decades. It makes the issue much more contentious.

I submit that if the province will not allow need to be considered, which results in clustered operations, then there must be a corollary. The province has the responsibility to examine the cumulative environmental effects of those clusters of pits and quarries. I do not see those cumulative effects being considered under the current planning and approval process.

This is what I recommended in my 2008-09 annual report to the Legislature: “that MNR’s existing commitment to consider its” statement of environmental values “and cumulative effects during instrument decisions should also apply to instruments issued under the Aggregate Resources Act.” I’m sorry to say that the Ministry of Natural Resources declined to comment after I made that recommendation.

With those comments to start, I’m going to turn my attention to the topics laid out in the committee’s agenda, the first of which is the act’s consultation process.

Certainly, a key factor is that the public must have trust in the process. That’s a key need to the whole thing,

and I suggest that that is limited at this time. The approval process is difficult for the public to understand and to navigate. The approval process excludes much municipal control. It can control zoning, but not other aspects. Changes in the legislation, particularly in the areas of community engagement procedures and the site plan amendment process, are needed.

New licences, changes in licence conditions and some plan amendments are, in fact, posted on the environmental registry for public comment, but there have been problems here, because there’s a process in the ARA and the provincial standards which requires notification and, within a 45-day period, filing objections and complaints; and then we have an Environmental Bill of Rights posting which reaches a much broader audience. The two processes are made to run concurrently. The Environmental Bill of Rights posting is usually 30 days. What has been happening is, MNR has been posting the EBR postings late, and the public is seeing that they have 30 days to comment on the EBR—they don’t realize the 45 days is running out, the clock is ticking, and they lose their ability to file a complaint because they’re misled by a confusing process. We’ve had many complaints about that over the years.

With regard to siting, the aggregate resources provincial standards clearly need a review and update. The stated purpose of the ARA is to minimize the adverse environmental impact of agricultural operations—that’s right in the existing act—while managing Ontario’s aggregate resources to meet provincial, regional and local demand. The act requires the decision-maker to consider the effect of the proposed operation on the environment. That’s in the act. But in contrast and perhaps in contradiction, the provincial standards and the manual do not require comprehensive assessment of environmental impacts. They require only certain aspects of the environment to be considered in the technical reports submitted.

The ECO agrees with many of the comments that suggest MNR update the 1997 provincial standards to reflect recent changes in provincial laws and policies and to address public and stakeholder concerns. Some of the matters covered in the policy manual should be incorporated in the provincial standards by regulation in order to make them enforceable. MNR should make the final text of the manual available on its website and ensure that the public is able to access further revisions and updates. It is a confusing process for the public.

There are a couple of odd exceptions, as well. The Aggregate Resources Act decisions should conform to the Oak Ridges moraine conservation plan. In fact, they have never been required to do so. The aggregate procedures manual says, “The ARA is not specifically prescribed under the” Oak Ridges Moraine Conservation Act. MNR should merely “have appropriate regard to its requirements when making decisions on the issuance of, or amendments to, licences and wayside permits under the ARA.” I believe this is a serious gap in the implementation of the Oak Ridges moraine conservation plan and frustrates the intent to place special conditions on



aggregate operations on the Oak Ridges moraine, which was the intent of the Oak Ridges moraine legislation. I believe that MNR's ARA decisions must conform to the Oak Ridges moraine conservation plan and I urge the ministry to resolve this implementation gap.

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Another point: Aggregate extraction impacts the land beyond 120 metres. If you look at the provincial standards, the requirement is to notify landowners within 120 metres, and then there's the general requirement to put an ad in the paper, etc. But we have seen time and time again that the extraction process strongly influences the surrounding landscape in a more profound way.

Notwithstanding my 17 references and my extensive reporting on this, I'm going to refer you to a recent decision of the Ontario Municipal Board, often called the Rockfort quarry decision. It was on November 2010 that the OMB gave this decision, and it re-emphasizes what I'm talking about in terms of the impact on the landscape—a point that I've been making over the years.

Quoting from the OMB decision, just a couple of examples: "It is also for [the proponent] to demonstrate that any impacts on adjacent land use would be satisfactorily mitigated.

"The board finds that [the proponent] has not met the requirements of these policies.... The area is rural and [the proponent] has not demonstrated that a 'fundamental change' to the traffic pattern in this rural area is either acceptable or able to be adequately mitigated."

The point is, we see the OMB looking at a much greater aspect on landscape—in this case, traffic, and it goes on to talk in similar comments in the next section on noise and the fact that the—and I'm not criticizing the proponent here, by the way. The proponent was addressing the application in accordance with the provincial standards, what they were asked for. The proponent goes forward in good faith, and the board is finding, "Wait a minute; it's much bigger." The effect on traffic is much greater, the effect of noise is much greater and, most significantly, that OMB report went into cultural heritage aspects and found that the measures put in place, changing the landscape, would be unacceptable.

If I may quote again, "The board finds, as a fact, based on the evidence before it, including that of the town's peer reviewer, that the replacement of the existing rural views with a six-metre high berm is the definition of unacceptable impact."

So I speak to the failing of the provincial standards to get those issues on the table. They had to go to the OMB, and in fact this particular decision was against the proponent and this particular facility was turned down.

Go to another example: Source water protection, which of course is an activity in recent decisions of the Legislature, is not addressed in the aggregate resources procedure. Just to cite an example, in April I got a complaint from a citizen regarding the fact that the MNR had just licensed a pit for reuse in a well protection zone in a municipality in the Sudbury region, and the Nickel District Conservation Authority had not even been

contacted. So here we have a designated source protection, well protection zone, and an aggregate pit just opens up and nobody's told, including the conservation authority that's in charge, of course, of source protection. So these exceptions and anomalies in the legislation could be cleaned up, I think, in this review.

Let's talk about operations. Since 1997, the aggregate industry has operated on essentially a self-inspection basis, submitting annual compliance reports to the ministry and posting them in municipalities. After MNR's inspectors stopped inspecting all sites annually, under some of my reports we reviewed that and they gave me a promise they would try to review 20% of their operations annually; 20% made sense because there's a five-year statute of limitations on offences. So if you're reviewing 20% a year, you'll generally catch most things that are going on. In fact, the next year they didn't make their 20%; they were around 10%, 12%, and the next year they reported and they'd only made 10% or 12% again. I criticized them each time for that, and now they've told me they won't tell me how many they inspected each year. So that problem is solved in some respects.

With regard to compliance, the compliance concerns at existing sites are widespread. Both the public and municipalities find this very frustrating. In fact, in 2006, to their credit—well, in 2003 citizens on the Environmental Bill of Rights filed a request for review of a range of matters in the operation of landfill sites and the ministry worked on it for almost three years and reported in 2006 and admitted to a number of shortcomings. It's actually a very good document in terms of revealing the shortcomings in aggregate resource management in the province, things like, in compliance, they reported that they did an inventory of 121 sites under that review and 100 were found not to be in compliance. That's a pretty high amount of non-compliance.

In April 2004, one municipal council threatened to refuse any further zoning for aggregate extraction, asserting that MNR had abandoned its best interests in the township. Through 2003-04, I recommended that the MNR ensure that the aggregate industry operates in compliance with existing rules and that the ministry demonstrate to the public that its compliance and enforcement programs for this industry are working effectively. We're all these years later—that was 2003-04—and we still have the same problems.

I have raised the fact that the capacity of the Ministry of Natural Resources to manage resources is largely in question. Again, as many of you members know, I have raised this publicly, the fact that MNR just doesn't have the troops to do the job. This is a serious job. It is worth noting, I think, that in that review in 2006, MNR itself noted: "Lack of staff and visibility in the field by inspectors has resulted in an increase in illegal operations and numerous complaints to MNR field staff." But, going back to the Ontario Municipal Board decision regarding the Rockfort quarry, I think there's an interesting quote there. The board said, "The board will not approve an aggregate proposal which leaves an issue like the protection



of the natural environment to be dealt with by a third party with demonstrably inadequate resources, like MNR...."

So here you have that the failure of the process of MNR has resulted in this company—and again, no reflection on this company. They were quite sincere; they went forward with the proposal. It was reviewed, but the process didn't do them any favours. They spent a tremendous amount of money and didn't get a quarry. Again, the board is recognizing that this is a primary problem. And it goes on; the board goes on at length. I suggest that you consider it; it's on page 71, by the way, of the decision, if anybody wants to take a note.

Let me give you another example of things that come to my attention. It's written up again in my 2009-10 report. MNR has the ability to exempt a site from the Aggregate Resources Act in certain conditions, if they issue a certain order, if in fact the main purpose of the aggregate extraction is not for the sale of aggregates.

I reviewed one particular piece of property where the Aggregate Resources Act—a verbal exemption was given to this one property owner to modify agricultural land, to make it more suitable for agriculture. That seems reasonable, on the face of it. There wasn't the appropriate order issued as was required by the act, but that extraction went on for 12 years, and 160,000 tonnes of sand was taken off that site—quite an agricultural modification. But it just showed the abdication of responsibility, and I would attribute that as well just to lack of the resources to be on top of such things.

With regard to rehabilitation of the land, when the Aggregate Resources Act was amended, I think it was in 1989, one of the big features of the new act was that it was going to have rehabilitation mandatory, and progressive rehabilitation mandatory, which is rehabilitation as you go. That was to be built into the site plans. When my office looked at the—and this is old data, but this is when we last looked. Between 1992 and 2000, the average number of hectares disturbed by aggregate operations was more than double the area rehabilitated. So, clearly, the rate of rehabilitation was in no way keeping up.

In an ideal world, one would expect, more or less, the amount of rehabilitation to be keeping up. Now, there is some loss, because areas that are going to be ponded later—become lakes—interfere with the data a little bit, but nonetheless, the rate of rehabilitation is clearly not up to speed. We have a larger and larger amount of landscape; it's open each year as it goes.

There were changes in the fees some years ago, in 1997, to provide more fees, more money, for a number of things, including rehabilitation, but it remains a challenge to rehabilitate these aggregate sites. It remains a challenge to get the inspectors out there to site them or to give them rehabilitation orders, because there aren't enough.

One special account of rehabilitation: When the fees were set aside back in 1997, they took a half cent per tonne and they gave it to an organization referred to as TOARC. Their job is to take that half cent per tonne and

rehabilitate historic sites that were not rehabilitated back in the day. Now, these are sites which are often orphaned, if you like. They're on people's land, but the people who own it didn't cause the problem. They were never closed, back in the day when we didn't require them to be properly rehabilitated.

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This is a good program. I cast no aspersions on it, other than: A half cent is not doing the trick. A half cent gets you about 45 sites a year. There are thousands of these sites. Increasing that to two cents would give you four times as many sites or more. It's not a lot of money relative to the price of aggregate, but it's certainly an area that could do with a lot of improvement. We could get a lot more of these scars on the landscape cleaned up.

In light of that, just to summarize, in 2006-07 I recommended that MNR improve the rehabilitation rates of the Ontario pits and quarries by introducing stronger legislation with targets and timelines, by applying up-to-date rules to grandparented licences, and by further strengthening the ministry's own field capacity for inspections. Again, "grandparented licences" refers to the fact that when the act came in back in 1989, there were a lot of existing rehabilitation problems, but we're years and years down the road from that. We should be going back, we should be cleaning up those licences and requiring them to have progressive rehabilitation plans from now, but again that takes human power.

One of your titles is Best Practices and New Developments in the Industry. There is a lot going on, I'm pleased to say, outside of the regulatory framework. You'll probably get some presentations on this. It doesn't relate to the act, but you should know that to the credit of a number of the companies and some of the environmental groups, many, many discussions are going on. I loosely call it the "green gravel concept," but they're coming to agreements on standards of operation, which will have some kind of endorsement or label that will signal to the purchaser that progressive, more sustainable procedures are being followed. So that's good stuff happening outside of the regulatory area, and we should just know about that.

But let me talk about the concept of fees. As I say, the fees were amended, I guess, some years ago. Oh, no, I'm sorry; 2007 was the last fee amendment. It previously hadn't been amended for 17 years. As to the actual dollar amount of fees, the industry is much better to talk about that than I am, but I think it's important that when you consider fees and royalties, you consider it in this light. It's easy to bring the discussion of regulating the aggregate business in line along the lines of what we have with the TSSA on our gas handling thing. The TSSA goes and checks all the gas stations and the tanks, and pressure-tests the tanks and tests the elevators and all that kind of work that's a necessary regulatory cost that keeps the businesses safe and functioning, and those are charged directly back to those respective industries, as they should be. So one could conceive that in your deliberations you say, "Well, is there money here that could be



put on a levy to run all aspects of regulating and pay the cost of all aspects of regulation?”, and there very well might be and you should have a look at that with the industry. But I want to emphasize this: There are two components to the responsibility here. In my mind, it’s easy to conceive of a TSSA-type funding organization that would look after all the inspection and that sort of stuff, but there is a whole other level of planning that’s required in Ontario with respect to aggregates, and that is the long-term planning of our aggregate conservation and utilization for future generations and the fact that we’re going to be hauling this from further away, and it’s up to the aggregate companies. They can’t create rights-of-way on rail or even rights-of-way on the road. They can’t create shipping opportunities by boat. They’re just aggregate companies; they produce aggregate. If there is to be planning on how we get these resources into the city that reaches out 10, 20 and 30 years, that has to be done within the Ministry of Natural Resources under the current mandate, and that is money that’s not funded from industry fees. That’s investment that the province of Ontario has to make into the long-term management of this valuable and necessary resource.

So I just want to emphasize to the committee that if you do go down the road of “Where does the money come from?”, running the business can be—the money, I think, can be levied off the per-tonnage production, but the long-term planning and the necessary transportation issues require a long-term investment in a planning unit which is integrated in the transportation unit of the government of Ontario. So I’d like you to think in terms of those two pools of money.

Let me talk about aggregate resource development and protection, including conservation and recycling. As I described in my introduction, land use planning rules are strongly weighted to allow pits and quarries almost everywhere in Ontario, even on the Niagara Escarpment. From 1985 to 2006, no application for a new or expanded pit in the Niagara Escarpment plan area was turned down. The question of need, as I mentioned, is specifically excluded. But we shouldn’t be planning our industry on a cornucopia of new pits that constantly supply all the aggregate we need. That is not responsible to future generations; it’s fraught with conflict and problems, and there are huge opportunities in recycling that are before us that should be encouraged. In fact, there are a lot of good-news stories which relate to recycling. The Ministry of Transportation does an excellent job recycling a lot of its aggregates. Certainly up where I come from in northern Ontario, they have to—it’s just the nature of the business—but even in the south.

But we have problems. In the GTA, there’s conflict and problems with respect to recycling. We have huge piles—if you go out near the airport, you’ll see some of them—throughout the GTA. These are piles of suitable recyclable material, asphalt and other materials that are ready for reuse, but there is no compulsion to market. Although some municipalities extensively use this material and have no problem—and the Ministry of Trans-

portation readily uses recycled material—there are many municipalities who insist on virgin material, and so we are accumulating recycle piles, which of course is undesirable, and we’re not maximizing that opportunity.

Similarly, there is conflict on the landscape with respect to the approval of recycling activity within aggregate resources sites. So if you have a pit or a quarry and you want to do some recycling, sometimes there is local resistance from the municipality and citizens. Now, some of it’s legit. I should say off the top that, you know, there is concern that a pit might be exhausted of its resource and then used forever for recycling; that’s a zoning concern of municipalities and such. I think that’s easily handled if you just say, “If there’s no more virgin material in a pit, pull the licence.” It’s not an aggregate pit anymore; it becomes a municipal zoning issue, right? It’s just for land use. But I think the concept of aggregate recycling is fundamental.

I would actually propose to you, with respect, Mr. Chair, if you guys would look at the purposes of the act, you will see there is a purpose to be concerned for the environmental impact. But I suggest you may consider that the purposes be increased along the lines of, “A purpose of this act is to help conserve Ontario’s aggregate resources and to increase the recycling and reuse of aggregates in Ontario.” That will set the tone clearly for the Ministry of Natural Resources to approve these recycling facilities properly within these licensed properties and set the tone going forward, but this is the intent, that we’re going forward as a society and we’re going to maximize utilization of that. So—

**The Chair (Mr. David Oraziotti):** Mr. Miller, that’s pretty much the time. I know we’re going to continue the discussion here with questions, but if you want to just take 30 seconds and wrap up, that would be great.

**Mr. Gord Miller:** That’s good. I was just going to summarize some of my past recommendations, but they’re already before the Legislature, so I’m pleased to take questions.

**The Chair (Mr. David Oraziotti):** Okay. Thank you very much for your presentation.

The Conservative caucus is up first; we’ve agreed to 10 minutes from each caucus, so go ahead. You have the floor, Ms. Jones.

**Ms. Sylvia Jones:** Thank you very much. Excellent presentation. You’ve triggered a couple of questions I wanted to ask.

You specifically raised source water protection and how currently there is no notification necessary to the various conservation authorities. Would that not have been appropriate to be an amendment when the Source Water Protection Act was actually debated and introduced? Shouldn’t it have been at that point that we would trigger what other pieces of legislation were impacted?

**Mr. Gord Miller:** I think that would have been the appropriate time, but it was obviously missed, for whatever reason. Part of the problem would be, of course, that at the start of the source water protection legislation, we didn’t know what kinds of activities would be prob-



lematic within well protection zones and various source protection zones. It wasn't always evident, so a little bit of uncertainty there. But certainly, yes, that would have been a good time to include it.

**Ms. Sylvia Jones:** Okay. My next question is related to your comments about rehabilitation. I am familiar with the half-cent fee that ends up rehabilitating spent quarries, spent pits; a pretty successful program, from what I'm seeing.

1520

**Mr. Gord Miller:** Oh, yeah.

**Ms. Sylvia Jones:** My question is, I don't believe the fee is actually set out in the act, so—

**Mr. Gord Miller:** No, it's in regulation.

**Ms. Sylvia Jones:** So it wouldn't be part of the—okay.

**Mr. Gord Miller:** My first point is that many—almost everything you're going to run into is in the regulations.

**Ms. Sylvia Jones:** Is in the regs, okay.

Your last point about conservation and recycling—and then I'll give others an opportunity. For the recycling component: When you're talking about pits currently, would that be another separate-and-apart approval process? How would you go about setting that up?

**Mr. Gord Miller:** It's on the licence of the property, so it's often now—those properties have been previously licensed so they have to be amended to allow it. It could be done in the initial—if it's a new licence, it could be incorporated into that. I would suggest that it should be part of the standard conditions of the process, and it was. But—yeah.

**Ms. Sylvia Jones:** Similar to rehabilitation as part of one of the—

**Mr. Gord Miller:** Yeah.

**Ms. Sylvia Jones:** Okay, thank you.

**The Chair (Mr. David Orazietti):** Mr. O'Toole, go ahead.

**Mr. John O'Toole:** Thank you very much, Commissioner. I really appreciate that very much. As I said earlier, my riding is very much home to much of what you call clustering on the Oak Ridges moraine. As well, there's a lot of environmental awareness etc. on both sides of the issue. I think Uxbridge is a classic community that has worked with you and others to find the right solutions.

You did mention in your presentation the consultation process itself, the public trust. Do you see any opportunity here for—even when I was a municipal councillor, it was always exempt because it was under the pits and quarries act or the Aggregate Resources Act; it was a provincial interest, even to the extent that the greenbelt excludes oversight of the provincial initiatives through its need to build the 407 through the greenbelt and all that stuff. Could you comment on that in a general sense, give some direction to the committee?

**Mr. Gord Miller:** We come from a simpler time, in terms of the roots of these things. I was critical of this concept of close-to-market and no arguments about need

and such things, and I remain so. I can see where they came from out of the 1980s, when this was done. I just don't think it's appropriate for the time.

I think our municipalities have much more sophisticated land use planning. They should be given more discretion in this regard, especially the municipalities that are in the vicinity of the big demand, say the GTA. We have sophisticated municipalities that have sophisticated planning. I trust them to take a greater role in the siting, because they have very little role now.

**Mr. John O'Toole:** That's all the more reason I think we should talk in those communities about the next step. It is a resource for the province of Ontario, not unlike the Ring of Fire, if you will.

On the section that I do want to put on the record, section 6 of the act itself: It talks about rehabilitation. My concern, as you know—I've talked to you and others. I don't want to dominate that, but that becomes the longer-term "What do we do now?"

Do you have any comment with respect to—I've talked to the last two natural resources ministers, who are the natural owners of this. What are the rules for moving commercial fill? There needs to be clarity. Many of the communities that we're talking about—lower-tier communities—haven't got the resources to do the proper testing, traffic flow logistics. Have you got something to add on that?

**Mr. Gord Miller:** Yes. This is a tough area, Mr. O'Toole, because it overlaps at least two major jurisdictions. The sort of hauling of materials, some of which are waste and some of which tends to fall under the Ministry of the Environment—some of these clean fill materials don't really have any provincial regulations—

**Mr. John O'Toole:** Control.

**Mr. Gord Miller:**—and control whatsoever. Then we get into virgin material in these aggregate sites. So it is a complex area, and it is worth, I think, turning attention to it at some point. There have been, I know in the Ministry of the Environment, at least four attempts—I wrote up a technical paper on this at one point—to deal with what is clean material and what is not and how it should be handled. But it's mostly fill, and this act deals with extraction. So right now we've got it separated into different boxes, but it really is trucks driving around with large amounts of aggregate material in them, right?

**Mr. John O'Toole:** It comes under the title of rehabilitation, in my view.

Now, I see Ms. Grier here, the former minister. I would suggest, though, that during my time as a councillor, the Ataratiri land was being developed for affordable housing. All of a sudden, it was closed because it was deemed that the soil was contaminated. Now that soil, because of the Pan Am Games, is in my riding, all over. There must be 30 locations where they're randomly moving commercial material.

I think there are a lot of really good operators, but I think we need to have clear rules and functions for the Ministry of Natural Resources, because MOE doesn't get involved until there's been a violation of some sort. No



one is in the skill set to determine what the violation is without spending thousands of dollars on testing. I know this isn't productive in terms of the ARA itself, but I think it's an important part certainly for the proximity to market, because that's where all the empty pits are, close to market—they've already used it up. So I just put it on the record: I expect to see some of that occur during the hearings.

Certainly Uxbridge, I know, would be a willing host community to hear about existing, ongoing, and then community uses of those properties. The best golf course, certainly, in this area, Windance, is an old abandoned quarry. I'll leave that there on the record. Thanks for the time.

**The Chair (Mr. David Oraziotti):** Ms. Scott, go ahead.

**Ms. Laurie Scott:** Thank you very much for appearing here today before the committee as we're getting started. I think it gives us a lot of background.

One of the questions that we had is, when you referred to the close-to-market, which is very much brought up in the SAROS report, I didn't know if you had a recommendation of what that number should be when it's close to market—how many kilometres.

**Mr. Gord Miller:** Close-to-market is a concept; it's not a number. As I say, it's essentially moot anyway, because the close-to-market stuff is essentially tied up in existing licences and will run out in the next couple of decades, or it already has been extracted.

What we see, let's say close to the GTA, under current applications, are relatively small deposits and the last few locations that they've found without tremendous conflicts on the landscape. I could qualify that and say there are sometimes some special deposits of aggregate materials. I'm not talking about that; I'm talking about just general pits and quarries.

I think it's not useful to constantly follow that argument anymore, because we're going to have to haul large volumes from far outside of our traditional supply areas. I see that the real discussion is: How are we going to get them in? We have the Carden Plain on the north-east, and you're going to roll how many more trucks down the 404 and the Don Valley Parkway? And that's the only option there. On the west, we're all aware of the controversy, but again, the proposals to bring aggregates from a long way away.

Those are the kinds of discussions we should be having, because it's about where we're going to get our aggregates from and how we're going to get it into the city 10 and 20 years from now, not fighting over the last little pockets that are close in. They're almost moot.

**Ms. Laurie Scott:** You mentioned that the consultation process is difficult for the public to understand, and I think we all realize that. Do you have any recommendations of maybe how it can be done better?

**Mr. Gord Miller:** There are a number of general recommendations over the years, but I think the first thing we've got to do is coordinate the provincial standards process with the EBR process much better. The

provincial standards only require notification within 120 metres and an ad in the newspaper. The EBR, of course, is much more widely open to comment and exposes across the whole province. I think there should be much better coordination there.

I think the 120 metres is an unreasonably short buffer area because, as I implied—which comes as well out of the Rockfort decision—the impacts on the landscape are much greater on any landscape than 120 metres from the site. We've seen a lot of conflict arise simply on that problem, that people legitimately are saying, "Well, you didn't tell us. We're the nearest neighbours," and it's "Well, you're more than 120 metres, so we didn't have to"—that kind of thing. Those are some simple things that would broaden the spectrum to allow more interaction with the public. I guess those are the top ones.

**The Chair (Mr. David Oraziotti):** That's a good spot to stop. Thanks very much, Mr. Miller. We're going to move on to the NDP caucus.

**Ms. Sarah Campbell:** In your presentation, you spoke about how a lot of the aggregate material that is located close to the markets will be exhausted in a period of a decade or two, and then you also spoke about a recipe for conflict with extracting some of that material close to these markets. Can you elaborate on this recipe for conflict that you spoke about and also how you think it would be different to extract the material in other parts of the province?

1530

**Mr. Gord Miller:** In terms of conflict, we have a number—off the top of my head, I can think of four. I was subpoenaed to testify before one of the OMB decisions. We had about four ongoing OMB decisions. I'm not quite sure on the detail. There may be more. All of them are very heated and they consume tremendous amounts of effort on behalf of the companies, who have to spend—the companies will tell you, and they are right to complain, that it takes them 10 years to get an approval for an aggregate site, at a tremendous cost, and the citizens will tell you that it's incredibly frustrating and draining on resources to go to these hearings, some of which go on for a year.

One of the ones I was called to went on for a year and then they cut it off, so it's not resolved yet, I don't believe. It's a tremendous effort, and it represents—why is there conflict? The kind of conflict I see, in a general case, is because we're looking for pockets of usually quarried stone, which has the highest value, within a landscape that now is occupied to a much, much greater degree than it used to be. Twenty-some years ago, when they devised this kind of approach and legislation for aggregates, there wasn't the intensive use of the rural countryside; there wasn't the intensive residential development; there wasn't any commercial development, for that matter, so you didn't have the degree of conflict. Now you do.

In almost every one of these cases, you end up with a small parcel of land being sought for an application with near neighbours, with environmental impacts that have to



be discussed or mitigated, and road transportation, the character of which will change with noise and such. All of these things are happening. Plus, you have the cumulative effects that occur in some of these areas like Caledon, Puslinch and various communities that have contributed more than their share of aggregates, and now they're going in and taking the last bits and things. That's the nature of it.

There are a lot of aggregates—the industry will tell you it's not as good, and so be it—if you go up to the Carden Plain, which is up in the Lake Simcoe area, up to the north and east. There's a lot of aggregate up there. There's a lot under licence and things. Volumetrically, when you're consuming 175 million or 180 million tonnes a year, you're making some big holes in the ground, and it's far better to be efficiently operating in a big area with known controls and a system of transportation of the stuff than it is to open up 10, 20 or 30 small pits that are going through all sorts of back routes in small communities. I think the future is there.

The biggest quarry in the province is up on the end of Manitoulin Island. In its biggest year, they excavated six million tonnes. That's no small quarry. Most of that goes to the United States, but it could go to our market, so there are other opportunities. That's all moved by water.

**Ms. Sarah Campbell:** Thank you.

**The Chair (Mr. David Orazietti):** Mr. Marchese.

**Mr. Rosario Marchese:** Thank you, Commissioner. That was very comprehensive, but I still have a few questions.

If we're going to have to get new resources for aggregates from further away, that clearly makes a case for conservation and recycling, obviously. We understand that the UK is doing a better job—

**Mr. Gord Miller:** Tremendously.

**Mr. Rosario Marchese:** —and surely we can learn something from them, first; and secondly, why aren't we doing it?

**Mr. Gord Miller:** A very good point, Mr. Marchese. Just a brief thing, though: First of all, the recycling is driven by waste. In the UK, for instance, they put a big levy on, say, construction and demolition waste. It's very expensive to move construction and demolition waste. So, all of a sudden, you find, in new buildings going up in London, that in some cases up to 70% of the materials are being reused on site when they demolish an old building because it costs them; they'd have to pay—that would be under environmental legislation in our model, not under the MNR, but nonetheless. You've got to integrate these materials management things. Because it would create waste to haul it off and they have to pay this huge levy on construction and demolition waste, they miraculously find a way to crush that, recover materials and reincorporate it into the new building. So that's a huge opportunity. It requires broader thinking than our present legislative structure in Ontario.

**Mr. Rosario Marchese:** Okay, good suggestion. How much time do we have, Chair, so that I know?

**The Chair (Mr. David Orazietti):** You have five minutes, Mr. Marchese. Go ahead.

**Mr. Rosario Marchese:** Under the ARA, aggregate operators are responsible for assessing their own compliance with site plans. I've never been a big fan of self-compliance. I saw the problem with the TSSA that you alluded to, and I think we need tighter compliance. People monitoring themselves are not going to do a good job of it. It makes sense, and why we haven't gotten a handle on that I just don't understand, but I don't think you spoke to that. Do you have a comment on that?

**Mr. Gord Miller:** Back in a previous career, I was what they now call a district manager for the Ministry of the Environment. In fact, back in the days before we had an enforcement branch, I was in charge of enforcement. I'm comfortable with a degree of self-compliance as long as it's backed up by rigorous occasional inspection by competent inspectors.

**Mr. Rosario Marchese:** Right.

**Mr. Gord Miller:** The norm could be and should be self-compliance. That's what you want. But somehow the self-compliance works much better if there's a threat of a real person coming in who knows what they're doing and has a ticket book in their hand.

**Mr. Rosario Marchese:** What you clearly stated today, or on another day where I think you spoke, is that the ministry has been chopped by 40% or so, give or take. If that is true, you can never get enough inspectors to monitor those who are self-monitoring. So that's a problem.

**Mr. Gord Miller:** That is huge. It's a big problem. I cite the Rockfort decision because there is a case where at least one reason it was turned down and the company was frustrated in their attempt to get a quarry was because the OMB recognized that there was not an adequate capacity within the Ministry of Natural Resources to do the inspection job and the follow-through in the long term. More than it's the lack-of-compliance problem, which I have identified, it has actually caused failures and unnecessary costs to the industry.

**Mr. Rosario Marchese:** So, Gordon, given that the ministry is not likely to restore its funding, because I don't see that, what do we do?

**Mr. Gord Miller:** I don't accept that the ministry can't restore its funding. I think there is a pool of money for at least the inspection. You're going to have the industry here soon, and that's a question I would suggest you ask them. We're talking cents per tonne on rock and gravel. It sells at dollars per tonne, and if the smooth operation and proper operation of their industry is at stake, I think there is—I'm not speaking for the industry—some recognition. I think there is enough money there to make a deal.

Again, I just re-emphasize that my biggest worry is the other component of money, which is the long-term planning money, the long-term capacity and experts within the Ministry of Natural Resources: that money has been severely challenged by recent budget cuts and added to the cuts over the decades, and I'm not optimistic in that regard.

**Mr. Rosario Marchese:** Another question: The MNR's own evaluation in 2002 found that some industry



operators were submitting reports deficient in important information, such as excavation depth or rehabilitation information. If that is true, and we have staffing issues in terms of the ability of the minister to deal with this, again what do we do with that?

**Mr. Gord Miller:** We've got to get somebody competent and independent to inspect. There are other models. In the Crown Forest Sustainability Act there is money when you have your stumpage fees when you cut in the crown forest. In addition to stumpage fees, there are other fees put on that create a pot of money—and that is protected from the Ministry of Finance, I might add—and that goes to have an audit of the system done. Independent companies are hired to bring in an audit to forest management, and that funding is set aside by putting a fee on cut volumes.

That's outside of government. If the government of the day insists that the Ministry of Natural Resources is to be smaller and have less capacity, which seems to be the case, then there is a way, and it works. I've been on those audits, or at least one of them, and they work very well. So there are other options.

**Mr. Rosario Marchese:** Thank you, Gord.

**The Chair (Mr. David Orazietti):** Liberal caucus, go ahead.

**Mr. Mike Colle:** Thank you, Mr. Chair. Thank you for the very thought-provoking presentation. The question I have is: As you know, we in Toronto and the GTA now have about 180 cranes in the sky. That's more than every city in North America combined. I know that Hume in the Star today talked about the golden age of development happening.

There's a lot of discussion about dealing with the supply side of this issue: source. What about the demand side?

**Mr. Gord Miller:** The demand side is the recycling, in a sense, if you like, because the demand can be reduced by on-site recycling. I referred to the UK, where they do a tremendous amount of reuse and recycling. You grind up what you've got in an existing site.

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You're referring, of course, to all the high-rise condominiums in the city, most of which are preceded by demolition and excavation. If you turn good engineers and architects loose, they can do some amazingly clever stuff, if the economics dictate it. The problem with our system currently is that we don't tax that or we don't charge anything to haul that stuff away. You can go dump it down on the Leslie Street spit for a small tipping fee, or maybe up in Durham county. But we don't put any back pressure on the system with a financial disincentive. It's cheap to haul it away and it's cheap to bring in new stuff, so that's what we do.

**Mr. Mike Colle:** So for instance, on the Trump Tower site, there was a building there previously, I'm sure. The Trump Tower is charging \$1 million minimum per unit. I wonder—I'll get staff to do some research on this to find out what, if anything, the developers of the Trump Tower site, for instance, paid for demolition or for removal of the demolition products from the site. I'm sure it'll be—

**Mr. Gord Miller:** In terms of removal, we're just guessing as to what it might be, but I'll tell you, it's a very, very small portion of the cost of that building.

**Mr. Mike Colle:** You talked about the reality of dealing with inspection and government oversight. You mentioned the self-regulatory approach that we did with the TSSA. I think it was the Conservative government that brought it in, and then we've kept it. In terms of that model there, of the industry basically helping to undertake a certain aspect of self-regulation, is there a model like that in existence anywhere in North America or Canada that you know of?

**Mr. Gord Miller:** I think the TSSA is the working model that is pretty close to home.

**Mr. Mike Colle:** No, but I'm just saying, in terms of in aggregate self-regulation, is there another jurisdiction—

**Mr. Gord Miller:** No. To my knowledge, no. Everybody uses largely the same model that we have.

**Mr. Mike Colle:** And is there another jurisdiction that has what you would consider legislation that we as a committee should be looking at that might give us some ideas of how we can improve the existing legislation?

**Mr. Gord Miller:** I apologize to the committee. I'm going to have to say no; I didn't do that research. Mind you, I only had 48 hours' notice of this.

**Mr. Mike Colle:** Yes, and I think I'm going to ask for that. I'm sorry to be unfair about that. I know you mentioned the recycling model in the United Kingdom, so we'll probably get some information on that.

The other interesting note: You talked about the lack of conformity of the aggregate act with the existing Oak Ridges Moraine Protection Act, that there's no need to conform to the existing Oak Ridges moraine act. Is that the fault of—because I remember in one of these chambers here, we discussed the Oak Ridges moraine act, clause-by-clause and everything. Is that something that's the fault of the existing Oak Ridges Moraine Protection Act, where there wasn't a requirement for aggregate extraction to conform to the act? Or is it the fault of the aggregate act?

**Mr. Gord Miller:** In my recollection—I'm drawing on memory here—the acts have to be prescribed under the Oak Ridges Moraine Conservation Act, and the Aggregate Resources Act was not prescribed. So in that sense, it's the fault of the Oak Ridges Moraine Conservation Act process in that it didn't sweep it in. Mind you, neither has anything happened on the other side to cause the Aggregate Resources Act to be administered in compliance with it.

**Mr. Mike Colle:** Yes, and you mentioned the source water protection act, that same type of lack of compatibility or availability to use that as a protection.

The other interesting concept I think that was brought up by my colleague from Durham, and you alluded to it too, was about perhaps more municipal participation in decisions—the site plan control etc. I'm just wondering, could there be sort of a blended approach in terms of more municipal input and say in approval processes, but still overarching provincial jurisdiction?



**Mr. Gord Miller:** Therein lies the solution, exactly. I think what we have is blended jurisdiction there, and the municipality has some zoning authority in this regard; yes. I think the original intent of the Aggregate Resources Act was to keep this in the control of the province so the province could make sure that there was aggregate available for the economy. It's just a matter, given that they both have a role, that the role for municipalities is frustratingly small and the role of the province is very large, but the capacity of the province is—

**Mr. Mike Colle:** Very small also.

**Mr. Gord Miller:**—frustratingly small.

Municipalities understand land use planning. They're the biggest consumers of aggregate, so they are not going to cut their own throats with respect to cost and production. I think you could increase—on the last model you suggested, I would say that the solution, in my opinion, is that we keep the provincial control there and in a dominant position, but increase the participation and the role of municipalities.

**Mr. Mike Colle:** And you also mentioned, Mr. Miller, in terms of getting aggregate to market, the three myths you alluded to, one myth being the proximity to market, source to market, and you said there might be another transport mode other than trucks in terms of getting aggregate to the sites. What might there be available that is not being utilized enough today?

**Mr. Gord Miller:** I think the options of rail and water, probably in that order, are both neglected options. I think rail could bring an awful lot. You know, rail is the most efficient transportation mechanism for bringing in bulk quantities. Right?

**Mr. Mike Colle:** Even diesel rail, which pollutes the air?

**Mr. Gord Miller:** Even diesel rail, energetically, and greenhouse-gas-wise—

**Mr. Rosario Marchese:** T4. Don't forget.

**Mr. Gord Miller:** T4—is far more efficient for bringing in bulk commodities. Picture those trucks parked up there in the morning on the 404, a dead stop, crawling in, or coming in from Mississauga or wherever.

**Mr. Rosario Marchese:** Diesel buses from Dufferin.

**Mr. Gord Miller:** Picture how energy-inefficient, gas-inefficient, that is, whereas rail is much, much better.

There are some infrastructure issues in terms of depots and handling, granted. To some extent and in some instances there is, in my understanding, still dockage at the front, you know, owned by a major aggregate company down here in Toronto, and there still are possibilities of bringing in aggregates by ship, although I think rail is the more viable thing.

If you get aggregates rolling on rail, by the way, distance becomes less of a problem and you can move material from farther away, like northern Ontario, where we already have blasted rock.

**Mr. Mike Colle:** Plus you might, again, have a blend there, where it might not be all rail to site, but at least shorter truck trips and—

**Mr. Gord Miller:** It would likely be rail to depots and then trucks from the depots.

**Mr. Mike Colle:** I would just like to ask you, if possible, at a future date, as this committee deliberates, if you would come back and perhaps respond to more of our questions as we get more feedback from other people.

**Mr. Gord Miller:** I'm at your service. I am an officer of the Legislative Assembly.

**Mr. Mike Colle:** Okay. Thank you, Mr. Miller.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation today, Mr. Miller. We appreciate your coming in, and those are all the questions we have for you.

**Mr. Gord Miller:** My pleasure.

## MINISTRY OF NATURAL RESOURCES

**The Chair (Mr. David Oraziotti):** Our next presentation is from the Ministry of Natural Resources. Mr. Pichette, how are you? Anyone who is giving a presentation, just state your name for the recording purposes of Hansard.

**Mr. Ray Pichette:** Yes, my name is Ray Pichette. I'm the director of natural heritage, lands and protected spaces, in the policy division of the Ministry of Natural Resources.

**The Chair (Mr. David Oraziotti):** I understand that we're combining the two presentations, so I'm not sure if half an hour will accommodate—an hour total but half an hour for your presentation and 10 minutes for questions. Okay. Up to an hour, I understand, for your presentation, should you need that time, and then questions following, given that both presentations are being combined, if that's satisfactory to the committee.

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**Ms. Sylvia Jones:** Point of clarification: both presentations? Which both presentations?

**Clerk pro tem of the Committee (Ms. Tamara Pomanski):** The subcommittee had requested the authors from the SAROS report—if I pronounced it wrong, sorry—as well as the Ministry of Natural Resources to speak, and they are one and the same. Apparently they can speak to both, so we've allotted them an hour to speak for presentation.

**Ms. Sylvia Jones:** But the four presenters are all MNR staff?

**Clerk pro tem of the Committee (Ms. Tamara Pomanski):** Yes, they are.

**Ms. Sylvia Jones:** Okay, thank you.

**The Chair (Mr. David Oraziotti):** Go ahead, folks.

**Mr. Ray Pichette:** Mr. Chair, we delivered a presentation to the clerk. I wonder if that presentation could be delivered to the members.

**The Chair (Mr. David Oraziotti):** It's being circulated. Thank you.

I'm not sure if in your presentation you plan on differentiating between the ministry role and the report that was done, if you're going to speak to that separately. Or



are you going to kind of intertwine them in the presentation? Originally, at subcommittee, we discussed an hour for ministry and an hour with respect to the SAROS report, which would have been a half an hour for your presentation and a half an hour for questions, and the same for anyone making the presentation with regard to the report. I don't know if you want to speak to those separately or you want to just brush over all of the items together and combine them.

**Mr. Ray Pichette:** In essence, Mr. Chair, the intent here is to give an introduction on aggregates, legislation, the rules of licensing, a number of key findings from the state of the resource of Ontario, aggregate resources—and to walk through it as one storyline for members and be able to—

**The Chair (Mr. David Oraziotti):** Okay. You have up to an hour for your presentation.

**Mr. Ray Pichette:** Okay; great. I'll go as fast as I can.

**The Chair (Mr. David Oraziotti):** No problem.

**Mr. Ray Pichette:** Thank you very much for the invitation.

Just to start on slide 2—we do have extra copies if people from the gallery wish to have a copy. There are some right there.

Just to give you a sense of what aggregates are, you've heard a lot about sand, gravel, clay, earth and bedrock that are found in our natural landscape. You'll often hear over the next few sittings the term “sand and gravel” versus “crushed stone.” In essence, sand and gravel is the unconsolidated material; crushed stone is bedrock that has been crushed for the purposes of creating stone.

What aggregates do not include are underground excavations, metallic ores and certain other what we call industrial minerals like graphite and gypsum. For the most part, those are handled under the Mining Act.

On slide 3: We all know that aggregates are a major component to the province's infrastructure. Just to give you some little tidbits that we've received from the state of the aggregate resources of Ontario reports: For example, the United States produces three billion tonnes of aggregate per year. Ontario, at this point in time, is around 166 million tonnes to 170 million tonnes a year. I do want to qualify that that represents 44% of Canada in terms of total aggregate and, in fact, if you go to southern Ontario, and southern Ontario alone, we're in the 130-million-tonne to 135-million-tonne range. That is actually 35% of all of Canada.

The bulk of aggregates, of course, is in roads and highways, which is often considered the construction sector; 60% of the aggregate produced ends up in that infrastructure. Certainly, I think we all appreciate that homes and hospitals etc., the concrete, bricks and glass—airports and subway tunnels have actually quite the need for aggregates.

The important component and one of the reasons why aggregates are of provincial interest is that greater than 50% of the aggregates produced in Ontario are bought by governments, and that even includes the federal government when they're doing airports.

Aggregates in general—and I'll speak to this as part of the findings in the SAROS report—do form the foundation to the \$45-billion construction industry that employs about 245,000, although the aggregate industry itself employs 35,000 directly and indirectly.

If you go to slide 4, this gives you a picture of central and southern Ontario. Much of the discussion you hear, of course, will be from the greater Toronto area and the Golden Horseshoe as that is where most of the consumption occurs. If you can see up towards east of Lake Simcoe, that green band there, that actually forms part of the edge of the sedimentary basin of the Michigan basin, and some of those areas we call the Carden Plain, and, of course, the Peterborough area. That is a source of crushed stone for the east side of the greater Toronto area.

As well, you can see in light green that the Oak Ridges moraine, of course being a glacial terminal moraine, is also a major source for the greater Toronto area.

If you can see the kind of reddish colour there that follows the Niagara Escarpment, it is the Niagara Escarpment. There is a reason why there is a cliff there. The caprock is a very durable rock. That's where the crushed-stone requirements come from for the greater Toronto area.

The Oro-Medonte area of Simcoe county—I think it's Simcoe county—is also a significant source. As you go further west, you'll see that the Saugeen area of Bruce and Grey will be a major source in the future, as well as the deposits in the Wellington area.

What we normally talk about is that the source of aggregate is either bedrock deposits that have the quality and quantity of the kind of rock that is needed for infrastructure development, or they can be glacial deposits that have resulted in well-sorted sand and gravel features that form fantastic opportunities to remove sand and gravel.

Generally, quarries require some form of blasting. It isn't universal. Normally, they require some form of dewatering. With sand and gravel, there is no blasting or, generally, dewatering.

On page 5, one of the limitations on aggregate supply, of course, is the delivered cost, and this is why Ontario has adopted a close-to-market. As you can appreciate, aggregates are high-bulk materials, and moving them long distances is very expensive. As a rule of thumb, we've often used: 10 kilometres adds \$1 per tonne to the price of aggregates. Again, from a public interest perspective, more than 50% of aggregates are bought by governments and, as a result, cost has often been a major input in terms of the public interest.

There are, as you heard from the commissioner, a series of restrictions on land use that may affect availability. I will get into that in a little bit more detail. Another thing one needs to understand is that aggregate isn't just aggregate; there is a quality aspect in terms of the rock and its end use. I'll get into that to some detail, understanding that not all aggregate can be used for high-quality concrete and asphalt. At the end of the day, you can only find those deposits where they're actually in situ.



The policy framework for aggregates is fundamentally under two pieces of provincial legislation: firstly, the Planning Act, which is under the municipal affairs ministry; and the Aggregate Resources Act, which is with MNR. These are the overarching legislative frameworks for managing aggregates in the province. There are a host of other pieces of legislation: the Water Resources Act, the Environmental Protection Act, the Niagara Escarpment Planning and Development Act, the Endangered Species Act and, actually, the federal Fisheries Act, at least at this point in time.

Many ministries are involved in aggregate resources; it isn't totally the Ministry of Natural Resources. The Ministry of Northern Development and Mines, through the Ontario geological survey, identifies and maps aggregate resources in the province, predominantly in southern Ontario, so that municipalities do have that information; MOE plays a significant role in environmental protection, particularly in water; MA, municipal affairs, in land use; and certainly the Ministry of Transportation in developing aggregate specification standards as well as being a fairly significant consumer.

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We are in partnership with the municipalities, and I hope to explain that very clearly in terms of the role of the ministry and the role of municipalities in licensing and permitting operations.

What I'm hoping to cover here in the next 40 to 45 minutes is, if you go to page 7, I'll give you a rundown on the Aggregate Resources Act, including operations and rehabilitations the fees and royalties—there were references made by the commissioner; planning for aggregates—siting, aggregate resource development, and protection; and recycling of aggregates. I hope to give you a summary of the findings from the study called the State of the Aggregate Resource in Ontario Study and roughly what would be on the horizon in terms of new developments.

Under our module 1, the Aggregate Resources Act, if you move to slide 9, it does provide for the management of aggregate resources. This piece of legislation is predominantly a controlling and regulating piece of legislation for aggregate operations on crown land and private lands. It is a legal requirement, as part of the licensing process, that rehabilitation of those lands must occur, and in fact the legislation speaks to both final rehabilitation and progressive rehabilitation.

The act was really designed—and in fact, no aggregate extraction is actually the same in all cases; the landscape in which the undertaking is being proposed will vary, and in essence the act is adaptable to allow for the proponent to plan out their mining process right up to rehabilitation and then be able to present that kind of proposal to the ministry. It is meant to be situational. However, the provincial standards that you heard about do give fairly specific guidance in how to engineer. In effect, the act is meant to say, “Measure those impacts and mitigate against those impacts in terms of making them either

tolerable or eliminate them entirely,” and that's part of the process on the licensing side.

The act actually also establishes the Aggregate Resources Trust, which collects and manages fees and manages abandoned sites. That was an alternate service delivery mechanism introduced in the 1997 legislation.

The Minister of Natural Resources is responsible for the act, and this current act first came into play in 1989-90 and was significantly updated in 1997.

Just a little bit about where the act actually applies: It certainly applies to all crown land in the province of Ontario, and that includes the removal of aggregate as well as topsoil. The words “aggregate permit”: When you hear that authorization, it usually means that the crown owns the resource.

All land under natural water bodies would be an aggregate permit, as the beds of most lakes are in fact crown land. The act only applies to private land that is designated under the act. If you move to slide 11, you can see where the act applies: at this point in time, to pretty well all of southern Ontario. The yellow represents the area that was designated prior to 2007 and the green represents the area that we designated in 2007. So we have predominantly the bulk of production in the province under this designation.

If we move to slide 12, you'll see that the Aggregate Resources Act does provide the instruments and approval requirements in order to operate pits and quarries in the province of Ontario. There are regulations, and the regulations actually specify many of the reporting deadlines and identify the annual fees.

The other big instrument here is, of course, the provincial standards that you heard the commissioner—and I'd be pleased to provide the committee with a couple of copies of it, or even more if you wish. We'll undertake to get enough copies. They are on our website—

**Mr. Rosario Marchese:** Sorry, which one is that?

**Mr. Ray Pichette:** The provincial standards.

The important thing to recognize here is that this document has the same force and effect as regulations. There's a provision in the act that allows us to refer this document, and we did so through regulations, so it is an enforceable document. We have a couple here that we can leave you, but we'll certainly undertake to provide that. As the commissioner indicated, it might need some revisions.

Finally, you also heard the commissioner speak to the policies and procedures. Here's an example, and yes, it is rather thick. As you can appreciate, MNR is a decentralized organization with offices throughout the province. This is the guidance to our inspectors and field personnel in delivering the act, so that it's done within policy as well and in a consistent manner. These documents can also be found on our website. We make it totally public to anybody who wishes to follow up.

On slide 13 you'll see three main instruments that are established under the Aggregate Resources Act. The first one is licences. These are private land instruments. We have two classes: There's class B, less than 20,000 tonnes per year; and class A, greater than 20,000 tonnes



per year. You can see that we have around 3,720 current licences—roughly 45 new per year. This represents about 90% to 92% of production in Ontario—this is southern Ontario. Most of the production in Ontario is on private land.

Wayside permits are another private land instrument, but they can only be issued to public authorities such as municipalities and the Ministry of Transportation. These used to be a very active instrument in the 1970s and 1980s but are becoming smaller and smaller. They are those small, temporary operations that you'll find along the sides of roads, and are opened up for their local sand and gravel—or in some cases, crushed rock—for the building of that public road or infrastructure. Their limitations are that they're only supposed to be approximately 18 months from start to finish—and “finish” includes full rehabilitation—although, as you can appreciate, there are provisions for some extensions.

Aggregate permits are the instrument we use on crown land. We have about 2,230 throughout the province, particularly in northern Ontario, and we do about 50 new ones per year. Ministry of Transportation aggregate permits: As you can appreciate, that ministry has access to crown resources to build provincial infrastructure. They issue about 600 per year as well. Just to give you some sense, the aggregate permits, 2,230—the 2,000, we'll have issued; the Ministry of Transportation would issue the 600 permits to their contractors for the purposes of particular projects.

Slide 14 is not meant to scare you but more to give you an indication of the extent of aggregates as a local industry throughout the province—“local” in the sense that it covers all settled areas, and anytime you have people you have a need for rock. There is, of course, the close-to-market side as well as the cost because of transportation.

Slide 15: a little bit about the licence application process. Now I'm going to be speaking about the standards themselves.

The standards were created in a manner to really allow for plain-language requirements to the proponents, both on the technical and the process sides. Clearly, there are some very specific standards with regard to site plan development. As you can appreciate, there's a threshold of 20,000 tonnes per year. For anybody above that, the site plan requirements are a little bit more than those that are less than 20,000. The impacts of operations less than 20,000 are nominal compared to those that are much more significant. There's a clear listing of all the site plan requirements we expect to see on the site plans that the proponent delivers. There is a minimum requirement to have a full description of what's there prior to any disturbance. There is a full description of how the site will be extracted, including progressive and final rehabilitation. And there is a full plan at the end on exactly how it is going to be fully rehabilitated. Those are the minimum requirement in terms of what they must submit.

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Then there is a requirement with regard to reports. Reports are predominantly the science side of the equa-

tion—hydrogeology reports, particularly if there is potential for below-water extraction. Natural environment reports are required. Cultural heritage reports are required. Haulage road reports are required. There can be noise requirements etc. These are all articulated in the standards, in terms of upfront, minimum-requirement reports that we expect to see. Also in there now is a requirement we introduced in 1997 that they need to be done by qualified individuals.

There are a series of prescribed conditions in the standards that, irrespective of what the operators feel they can do or cannot do, we have said that, “These are standards you're automatically going to get, because at the end of the day you will have to deal with it.” The biggest one is dust. Dust must be mitigated on-site. Every operator that receives a licence will have that prerequisite.

On the notification and consultation, I'll go into that in a little bit more detail in the next slide.

There are some additional operational standards, but they can be overridden by details on the site plans, and there are also compliance reporting standards. Yes, we are in a self-compliant mode, but I would table that MNR's method of enforcement is risk-based. Our intent is not to spend time with those operators that do normally comply with the legislation but to spend time with those operators that seem either suspicious or seem to be in total non-compliance.

This is a proponent-driven process, and the standards do set out the details of the process.

So, a little bit on the notification and consultation standards: The way the act works, there are these prerequisites on the information you must supply to the Ministry of Natural Resources. In essence, when we receive that application, the first step is to check to make sure that they have everything that the standards have articulated they should have. It is not a content check or a quality check; it is more to make sure that they have reported and met the details of what the standards require.

Once we have decreed that they've met all the application requirements, we ask them to go and follow the notification and consultation standards. I think it's initiated by virtue of the newspaper advertising they need to do, and there is a 45-day period. There must be signposting at the site. There is newspaper notification. There is a requirement for at least a minimum of one public information centre.

Yes, they do only have to give notice to the land-owners within 120 metres, and they have to circulate and deliver the report to agencies and stakeholders. I want to qualify that the agencies include the Ministry of Natural Resources, the Ministry of the Environment and, if it is prime agricultural land, the Ministry of Agriculture, Food and Rural Affairs. The conservation authority does get a copy. The municipalities, both upper- and lower-tier, must get a copy. It is a prerequisite.

During the process—yes, we do post the application on the Environmental Bill of Rights. During that 45-day period, the public, the agencies and stakeholders can



actually file objections to the undertaking, and those objections are filed both with the proponent and the Ministry of Natural Resources. The act has a legal requirement that the proponent must make an effort to resolve all the objections, and we give the proponent a two-year window to do that. At the end of two years, the proponent would submit the final package to MNR, and how and what attempts they made to resolve all objections. At that point in time, MNR would look at the outstanding objections and decide whether to recommend to the minister to refer the matter to the Ontario Municipal Board or, in fact, issue the licence.

Just to reiterate—and I'll be mentioning this later—before any licence can be issued, there must be conformity with the municipality's official plan and there must be appropriate zoning provisions that do not prohibit the undertaking at that site. So the municipalities, in essence, have to approve the site before the minister can approve it. However, the processes can occur concurrently.

For crown land, it's a little different. We follow our class environmental assessment screening. There is no posting, the window for accepting the application and processing it with the proponent is only six months, and there are no appeal provisions if we decide not to issue the permit. This, of course, is crown land, and the minister is fairly in a control situation.

Slide 17 gives you the opportunity, if you so wish, to really get into this in a little bit more detail, but I hope I've been able to walk you through the steps that lead up to the aggregate resources decision.

One thing you need to be aware of is that there is a section in the legislation, subsection 12(1), which requires the minister to have specific considerations before issuing the licence. One of those considerations is the compliance history of the proponent. So if they've been a bad apple in their history, that is a legal consideration the minister can take into account.

I'm going to slip to slide 19, rehabilitation. Rehabilitation actually means restoring the land to its former use or to another use that is compatible with the surrounding land. Progressive rehabilitation means, of course, to rehabilitate parts of the site where the aggregate has been removed while aggregate is still being excavated. There are, of course, some limitations to progressive rehabilitation. If you are quarry dewatering, it's a little bit more difficult than if you have a sand-and-gravel operation above the water.

The other side of it: In some cases, in order to produce the right kind of product, there are blending requirements of the deposits that are necessary. As you can appreciate, a sand-and-gravel deposit isn't homogenous. There are different types of rocks throughout the deposit that sometimes have to be blended to make a certain type of product. But for the most part, what you'll see are restrictions that phase 1 and 2 can be extracted on the site plan, but you can't go to phase 3 until phase 1 is fully rehabilitated. Those are the normal types of conditions you'll see on the site plans.

Slide 20 simply speaks to the legal requirement. Anything on a site plan is enforceable. So the rehabilitation that's identified must be complied with, and non-compliance is, of course, a violation.

We do have minimum standards there for rehabilitation, but we always encourage proponents to go beyond that, and they can override the minimum provincial standards with certain provisions in the site plan. For example, the Niagara Escarpment is a cliff environment. Some of the quarries in the Niagara Escarpment area are actually rehabilitating parts of their facilities, leaving the cliff that in the future—the intent is that it's compatible with that general cliff environment and will blend in very well.

In some cases, rehabilitation will require a degree of post-monitoring, whether it be a water issue or even an agricultural yield that must be attained within the site prior to us allowing it to be signed off as completed rehabilitation.

1620

Page 21, compliance tools: We have a host of compliance tools that were introduced in the 1997 act—warnings, inspection reports, suspensions, orders, charges, and the revocation of licences and permits. When we do revoke a licence or permit, there is an appeal mechanism in some cases, and in other cases it's final.

I wanted to add one thing here. I'm unaware of any legislation in the province that has this, but if a violation happens today in a particular site, we have five years to uncover it. So something that happens today, that we find three years from now, is still considered a violation. There is a five-year Provincial Offences Act override in this particular legislation.

The actual penalties can go from \$500 to \$30,000 a day. I wanted to add that there are some very serious provisions with regard to automatically going into suspension if you do something, even though we might not be at your gate, and any monetary aspects that you've received during that time, either in suspension—can become part of the fine.

We just recently developed a renewed risk-based approach to compliance to allow a more focused effort on some parts of compliance that we wish to spend some time on.

If we go now to fees and royalties—and I'll run through this fairly quickly—there are fees under the Aggregate Resources Act. You can see from the table on page 23 that the industry had fees of upwards to \$18.5 million, and we did almost double the fees in 2007. Again, every time we consider this in terms of increasing these fees, we have to think of the overall cost to both the public purse as well as the local municipalities.

Where do these fees come from? If you go to page 24, the current fee on licensed property is 11.5 cents or \$400, whichever is more; for aggregate permits, only \$200. We have an application fee of \$1,000; a transfer fee of \$500 or \$300, depending on the instrument; and we also charge for major amendments now.

Crown royalties: These are where the crown owns the resource. We have a minimum royalty of 50 cents a



tonne. What we normally do is assess the local markets and add to that, in order to make sure that it isn't providing either an advantage or a disadvantage to the local operators that might be extracting from crown land, and to ensure that the public gets a return for the use of that resource.

On page 25, you can see that out of the 11.5 cents, 3.5 cents comes to the crown, six cents goes to the local municipality, 1.5 cents goes to the county or upper-tier municipality and half a cent goes to the abandoned pit fund that you heard about from the commissioner.

On slide 26, a little bit of statistics here that I think are very relevant, and why you saw so many dots across the province of Ontario: We have approximately 5,800 to 6,000 sites at any given time in Ontario, and right now, 5,515 produce less than 100,000 tonnes. Again, when you consider non-GTA production, it is very different than those who satisfy this community here. I have 182 sites that are producing between 100,000 and 250,000 tonnes.

We have only 24 sites that produce more than a million tonnes. The commissioner mentioned the site on Manitoulin Island, and, yes, it has reached, we believe, the four-million to six-million tonne range, but that is considered a fairly large operation. My guess is, about 10 of those sites—actually, three of those sites produce in that four-million to six-million range. Considering it's a province that requires somewhere between 160 million to 180 million tonnes, you can see why there are so many sites.

The Aggregate Resources Trust—slide 27—is, of course, an attempt to do alternate service delivery in a manner that certain functions that were performed by the ministry prior to 1997 are now done by the Aggregate Resources Trust; that is, invoicing, collecting and disbursing fees and royalties, rehabilitation of abandoned pits and quarries and revoked sites, and some research and other matters that have been specified by the minister.

I want to qualify that “abandoned” means it has never been licensed; it's never been under provincial control. This was the legacy of the sector of the industry prior to the province assuming a level of control, I believe, in 1971.

Where we have revoked a licence or a permit, or if a company becomes insolvent, the trust also has an opportunity to go in and rehabilitate those sites. And if there isn't enough money to cover off the rehabilitation, the trust is empowered to go through the courts to seek financial compensation.

**Mr. Rosario Marchese:** How many have been revoked?

**The Acting Chair (Mr. Michael Coteau):** Can we wait until the presentation is finished to ask questions, Mr. Marchese?

**Mr. Rosario Marchese:** We're not going to have time. We'll have to re-invite them. But okay. It was a quick question.

**The Acting Chair (Mr. Michael Coteau):** We still have about 25 minutes left for this presentation.

Sorry for the interruption, sir. Go ahead.

**Mr. Ray Pichette:** Thank you, Mr. Chair.

TORAC is a private corporation. It's called the Ontario Aggregate Resources Corp. It earns its funding through investment earnings of the money it collects. It is owned by the Ontario Stone, Sand and Gravel Association, and it does manage the abandoned pits and quarries fund through the management of abandoned aggregate properties.

If you go to the next slide, you'll see that this has been a very successful program. I might add that the trust did very well in rehabilitation, compared to when the ministry had it. From 1992 to 2010, there was more than \$6.3 million spent on rehabilitating about 540 hectares of land. One of the qualifiers here is that the landowner must allow the rehabilitation, and there are many situations where the landowner will not accept somebody coming to rehabilitate their lands.

There is an annual report produced by the trust. To give you some comfort, the trust is required to be audited annually and the report is submitted each year to the Legislative Assembly of Ontario and to the minister. I do have copies of the 2010 annual report of the trust. If you want copies, we would certainly provide them.

A little bit about planning for aggregates—I'll quickly go through siting and aggregate resource development; you've heard about it:

—The Planning Act, of course, provides the ground rules for land use planning for municipalities in the province;

—The provincial policy statement has elements in there with regard to the availability and protection of aggregate resources;

—The official plan should be consistent with those provincial policies; and finally

—Zoning is the way the municipalities implement their policies.

The actual provincial policy statement—I'll keep this very brief. We ask municipalities to protect as much aggregate resources as possible—that is, realistically possible—and, of course, protect encroachment on existing operations. The simple reason is that we don't want infrastructure built on quality deposits to the point where they are sterilized forever, and we don't want current operations to have new receptor development coming close to them, and then, all of a sudden, they need to change their operations because of the impact. That's truly the fundamentals of what the provincial policy articulates.

We do rely heavily on the Ministry of Northern Development and Mines for the inventory of deposits, and they go through a mapping exercise, predominantly in southern Ontario, to identify resources, and there are criteria for what makes a good resource versus a bad resource. For example, on sand and gravel and even crushed stone, you have to look at things like absorption and porosity, freeze, thaw, durability of the rock, and one of the most important ones is alkali reactivity. Rock that responds to salts tends to expand and break the concrete, and that's one of the reasons why it's important that the



quality of the resource is such that—in terms of the contribution to things like asphalt and concrete.

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**Municipal involvement:** As you can appreciate, they are the first level of permission for the siting of aggregate resources. They must have zoning that doesn't prohibit the establishment of a pit or quarry. However, the process of getting municipal approval and provincial approval often happens concurrently.

On slide 13, when it comes to siting considerations, quality and quantity play a big role to the sector in finding the appropriate site, making sure that there aren't constraining factors. There are provincially significant wetlands that conflict or cannot be altered and therefore are areas where the resource is not accessible. The greenbelt plan has a series of provisions. These all have limitations on the availability or provide a level of limitations on the availability of the resources.

Ownership of the land is very important—they need to either have the right to the resource or own the land—and, certainly, proximity to transportation routes and markets. One of the findings of the SAROS reports on resource availability indicated that 93% of the high-quality bedrock resource in southern Ontario, particularly around the greater Toronto area, is already constrained and is non-accessible.

I'm going to confuse you on slide 34, probably, but it was an attempt, without showing some graphics here, on how one would try to site. If you can look at the area where there are green-browns and darker greens—if you can look at it in the manner that says there is the Amabel rock formation, and if you look at this side of the site—now try to see where it extends in this part of the diagram. You can just see it as a shadow in there. So what we have here are woodlots, wetlands, urban areas, even roads.

To give you a sense of the size of an aggregate operation, if you go to the lower right-hand side, for example, those boxes represent the size of fairly significant quarries. Try to site that in any of the open space. So you'll see the challenge in siting operations or potential resources, considering the extent of other features that are to be protected. That's some of the challenge the sector is finding, as well as the ministry, in terms of trying to get a handle on resource availability for the future.

On slide 35, you can see that the larger percentage of aggregate is produced in southern Ontario. We have the top 10 there, representing about 50 million tonnes in 2010, predominantly to satisfy the greater Toronto area and the 905 region. However, if you move towards Zorra, that's starting to try to satisfy Woodstock, Cambridge, Waterloo, and even London, to some degree. London and Windsor are effectively out of crushed stone as we speak.

Slide 4, recycling of aggregates: We commissioned a study in 1991 that showed that asphalt and concrete were being effectively recycled. In 1991, it represented 4% of the province's total with regard to recycling. In 2007, through the SAROS report, we found that there's roughly 7% now being recycled. The point I wanted to make here

is that the Ministry of Transportation has been using recycled aggregates since the mid-1970s for their provincial roads. The difficulty is, there is nothing in the Aggregate Resources Act that allows for recycling. We look to the municipality to authorize recycling. Our policies are that if they wish to establish recycling opportunities within a licensed site, we promote it, but we need to have the municipal permission to allow it, and appropriate zoning by the municipality. I'll speak a little bit more to recycling when I get to the actual report on that.

Let's go to the State of the Aggregate Resource reports. There were six studies done, if you go to slide 39, and again, it was to have a sense in time of where we stood with regard to aggregate resources and current information. Six papers: consumption and demand, future aggregate availability and alternatives analysis, value, recycling, reserves, and rehabilitation. It's a 1,400-page document. It will burn out your printer, I'm sure. It is located on our website. We'd gladly burn you some CDs rather than give you hard copies, but if you so wish we'll get you hard copies. It will take us some time.

These studies were done by consultants. MNR is not the author; they were done by consultants, and the process of the studies was overseen by an advisory committee of multi-stakeholders. The Ontario Stone, Sand and Gravel Association, the Cement Association of Canada, BILD, the Ontario Professional Planners Institute, AMO, Gravel Watch, the Niagara Escarpment Commission, Conservation Ontario, the University of Toronto, and the Canadian Land Reclamation Association were represented on the steering committee, guiding—not doing, but guiding—the study and the study results.

I'm going to try and walk you through some of the more important findings in some of these areas.

The first one was demand, study 1, and I'll do this in two phases: try to give you a little bit of a teaser and then get to some more details.

The demand one identified that, as you can appreciate, population and aggregate demand go somewhat hand in hand. They are forecasting an average of 186 million tonnes per year over the next 20 years, which is 13% higher than the last 20 years.

In terms of availability, the study indicated—they did a sample on bedrock resources and identified that 93% of bedrock resources may be constrained because of environmental, agricultural and social considerations. Close-to-market policies are more cost-effective, and they do have numbers in there, particularly because of the greenhouse gas efficiencies. Alternate transportation produces at least two times more greenhouse gas, and they do have cost estimates in terms of rail, marine and so on. I'll get a little bit into that.

With regard to value, there was certainly a value exercise in terms of what aggregate means in the GDP context, and you can see there that the estimate at the time was that 60% of all aggregates are bought by governments.

Recycling, as I mentioned: 13 million tonnes right now is being recycled. That's 7% of the total consump-



tion. Asphalt and concrete are well recycled, and unfortunately there is very little tracking of recycled material in the province of Ontario. I think you'll hear more about that.

When it comes to reserves, a total estimate of high-quality bedrock reserves currently licensed is approximately 1.47 billion tonnes. I will specify that in the reports there are some restrictions. High-quality reserves for the GTA, I believe, are down to 317 million tonnes.

Rehabilitation: It is happening, both progressive and final rehabilitation. There are statistics on what kinds of end use. There was a sense that 58% of sites were following progressive rehabilitation; 40% were not. Unfortunately, the report doesn't tell us what happened, why the 40% didn't, but again giving us a sense that there is probably some work to do there in following up on that one. Certainly, the moderate to large operators have the far more sophisticated rehabilitation, compared to the small operators.

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So let's go through the reports briefly, here on page 41, and I'll walk you through some of the key findings.

How many—

**Interjection:** Ten minutes.

**Mr. Ray Pichette:** Ten minutes? This is great.

**The Acting Chair (Mr. Michael Coteau):** Twelve minutes left.

**Mr. Ray Pichette:** Twelve minutes? I'll have it done, sir.

In the last 20 years, it was 164 million tonnes. This very much is consumption and demand. I do want to qualify: You're going to hear the word "consumption." This isn't like gold, where you stockpile. All aggregates produced are used in that year; when they leave the gate, they are used. There is very little, if any, stockpiling that happens somewhere else, so that's why you often hear the word "consumed" rather than "produced"—and then, of course, on the demand side.

An interesting thing about the greater Toronto area: The greater Toronto area needs roughly 61 million tonnes, plus or minus, every year. I think last year it was 61 million tonnes. The greater Toronto area only produces 29 million tonnes—an interesting statistic. Right now, on a per capita basis, everybody is using 14 tonnes per person per year. Although there has been a slight decline in that—I believe at one time it was 15 tonnes or even 16 tonnes—you can see that they expect that to carry forward. They are forecasting consumption to rise to 186 million tonnes per year over the next 20 years. That is 13% higher than where we are today.

A couple of other points here that I think are important to raise to this committee: This report does say there could be a per capita decline of aggregates in the longer term; they see a slight downward trend. Perhaps as higher densities, in terms of planning policies, get well into implementation, less aggregates will be needed and so on and so forth.

We are generally similar to other provinces on per capita. There is a whole host of comparisons. Florida

uses eight tonnes per person per year but, unfortunately, they don't have our weather pattern. To give you some sense, generally other provinces are in that 10 tonnes to 12 tonnes per capita per year.

To give you some sense of needs of aggregates: 18,000 tonnes per kilometre of a two-lane highway in southern Ontario. For a two-lane highway, you need 18,000 tonnes. Only 250 tonnes are required for a 2,000-square-foot house, but 114,000 tonnes per kilometre of subway line. The reason is that Toronto is built on the Queenston shale, which can't be reused for concrete.

A couple of other critical elements here—again, aggregate consumption. When you compare, the GTA is 61 million tonnes in the 2000s; in the 1990s, it was, on average, 47 million. So there has been a significant increase just in the reports—

**Mr. Mike Colle:** What page is that, sir?

**Mr. Ray Pichette:** No, I'm just referencing, Mr. Colle, right from the reports. That's in case you wanted to read them at your leisure.

So, again, Toronto, the GTA: on average, in the 2000s, 61 million tonnes per year; in the 1990s, they were at 47 million. To give you a sense, the Niagara peninsula was at 15 million tonnes annually for the 1990s and is currently up to 18 million tonnes. The GTA consumes less than northern Ontario, as you can appreciate, because of the extent of roads. Again, we are similar in per capita.

Let's go to slide 42, and again the future availability: This report provides an analysis of constraints on existing bedrock resources. The results said that on average, 93% of the bedrock resources are constrained. The report actually gets into details, in terms of the GTA, southwestern Ontario, eastern Ontario. I'll just let you know that, for the most part, again, as I mentioned, Windsor and London are already out of crushed stone.

There is transportation analysis here. When you consider rail and marine, there is of course a substantiation that the close-to-market is more efficient, predominantly on a cost side. Just to give you a sense on marine, there was an attempt here to model out, if material came from a specific location—I believe it was North Bay—what the extra cost would be, and the report clearly articulates that. Close-to-market represents around \$9.50. Marine and rail would be about \$52, and long-haul trucking would be \$44. So there's an added cost, plus greenhouse gases, moving that forward.

There is a comparison of other jurisdictions, but I think, critically, one of the things this report does identify is, it says that it looked at alternative ways of getting aggregate. As you can appreciate, the concept of underground mining has been there for some time, and they do speak to what we call today mega quarries, that have a qualifier. The report has actually identified the fact that mega quarries are defined as 150 million tonnes of reserves and produce upwards to 10 million tonnes a year. We don't have any quarries in this province that reach that test.

Anyhow, that was interesting, and you can expect that the results of that study on mega quarries will be made available or be of interest to many people.



If we now go to the value of aggregates, this an attempt to do a socio-economic study on aggregates, and they did both an upstream and a downstream—

*Interruption.*

**Mr. Ray Pichette:** There's a vote.

In this exercise, they identified that aggregate resources in the upstream side, the production, has a gross output of \$2.9 billion, and in the downstream have a gross output of \$44.7 billion, accordingly.

There is quite the dissertation on the value of aggregates from a perspective of rehabilitation, particularly in the natural heritage rehabilitation, where it's been seen as having an ecological benefit to the local communities.

The reuse and recycling: Again, I think I've covered most of that in the sense that we're now about 7% of total in recycling, but there was a survey of 11 official plans of major municipalities in southern Ontario, and only three of those official plans made any reference whatsoever to promoting recycling of aggregates. So their conclusions were that much has to be done in that area.

With regard to the reserves—oh, one other point again, just to give the Ministry of Transportation kudos: Between 2005 and 2008, the Ministry of Transportation used 42 million tonnes of aggregate for transportation infrastructure in Ontario. Out of that 42 million tonnes, 8.3 million tonnes was recycled material. It represented about 19.8%.

When one looks at the actual reserves, Ontario has approximately 1.47 billion tonnes of high-quality reserves. High-quality reserves are materials that are actually used for concrete and asphalt. However, in their analysis, only 317 million tonnes of high-quality material within 75 kilometres of the greater Toronto area are left.

When it comes to consumption and replacement, the study articulates that we are depleting by 2.5 to 1 in terms of depletion and replacement.

This report also has some options with regard to maximizing the recovery from existing sites by allowing extraction on common boundaries between sites, road allowances and so forth, in terms of maximizing the return from particular sites in there in order to extend that ultimate reserve.

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Finally, on rehabilitation—and that's a fairly large study—the findings of this study indicate that legislation and the policies are generally well suited to guiding rehabilitation. There needs to be some focus on ensuring that progressive rehabilitation is happening. It seems to be slow. There is no reason for it identified in the report. Rehabilitation in Ontario does have some great examples where it is well blended into the surrounding landscape, and there is quite an opportunity to educate and outreach to the public on rehabilitation.

Finally, just some of the things that you'll probably hear during your deliberations: You'll hear a lot about aggregate recycling, and in 2011, an organization called Aggregate Recycling Ontario was established, which will promote certainly best practices and standards in recycling. I think kudos need to be given to the Ontario

Stone, Sand and Gravel Association. This will do some great work in promoting and putting some degree of diligence in getting recycling going even better. There are a number of studies on aggregate sites and rehabilitation that you can see. We are currently ourselves hopefully close to issuing a best practice for rehabilitation to enhance biodiversity.

On the water side, with source protection and other methodologies and legislation—and I do believe we are well integrated with those other provisions—again, studies are being commissioned, predominantly from the industry, but there has been a large effort on studies in water and groundwater recharge.

Finally, there are two groups out there that are actually looking at certification for the sector in terms of raising the bar on the basis of both environmental and social responsibility, and the ministry believes that is a very positive thing.

My apologies for probably going two minutes over, but that's it, Mr. Chair.

**The Chair (Mr. David Orazietti):** No, your time is good. I appreciate it. Thank you very much for your presentation. We've got 10 minutes for each caucus. Ms. Campbell, go ahead.

**Ms. Sarah Campbell:** Thank you for that very thorough presentation. I just have a couple of questions for you.

Given the economic climate that we have in Ontario and the cuts to the MNR and MOE, and the fact that self-regulation doesn't seem to work—the MNR's own evaluation in 2002 found some industry operators submitting deficient reports—I'm wondering: What does the ministry think can be done to best modify the act to provide greater oversight of the sites?

**Mr. Ray Pichette:** That's a loaded question. We haven't really, at this point in time—first of all, I want to emphasize that we have a committed staff that are out there on the landscape, ensuring that those operators that blatantly violate the legislation are dealt with. As you can appreciate, we're focused very much on a risk-based approach and our focuses are on those operators that are in constant violation, rather than to be there with those operators that are probably in compliance 100% of the time.

We are out there on the landscape also trying to follow up with a degree of prevention with the operators to make sure that they are very clear about their mine plans, their site plans, and the rules of the game.

We do act and react on complaints. There's a host of examples, if not just from a warning perspective, to make sure that operators are compliant with the policies.

It's difficult. I mean, we're all in a fiscal austerity mode right now. An interesting element that I thought the commissioner brought out, and this is my personal opinion, on third party audits: certainly a possibility, but frankly, we do feel that our committed workforce is out there doing the best job they can.

**Ms. Sarah Campbell:** Thank you for that, and there's no doubt—I don't question the commitment or the skill



set of any of the employees working for the MNR. My sense is just that there aren't enough. We looked at the number of sites. I think it was close to—what was it, 2,000?

**Mr. Rosario Marchese:** It was 5,000-something.

**Mr. Ray Pichette:** About 5,800.

**Ms. Sarah Campbell:** Okay, 5,800. So it's impossible for the limited numbers to be everywhere all at once.

But I'm also wondering what you thought of the Environmental Commissioner's suggestion of using extraction-based levies to help fund some of the oversight.

**Mr. Ray Pichette:** What I can tell you is that a 2007 increase did provide an opportunity for the ministry to receive a higher appropriation dedicated to the agri-resources program, so we were able to hire an additional 17 new inspectors as a result of that increase. So it's not unprecedented, I guess. We did that in 2007.

**Ms. Sarah Campbell:** Okay, thank you.

Go ahead.

**Mr. Rosario Marchese:** Just to follow up on that, I have to congratulate you on the valiant approach you bring to the issue, because you make it seem like you've got everything under control, which is really, really nice, and then we listen to the Environmental Commissioner and we realize there are so many problems. But it's your job to put that face to the problem, and I appreciate that.

Tell me, how many inspectors do you have who go out in the field?

**Mr. Ray Pichette:** We have somewhere between 32 and 34. As you can appreciate, you know, vacancies, trying to fill them, people are retiring, so I think we're around 32 to 34. I think we have 32 warm bodies right now and two vacancies.

**Mr. Rosario Marchese:** And there is a bit of turnover, retirements and—

**Mr. Ray Pichette:** Always, yes.

**Mr. Rosario Marchese:** That requires training; people have to get up to speed and so on. So when you've got 30 to 34 staff, with turnover and training, and you've got 5,500 sites, it's a bit of a problem, wouldn't you say? Because relying on people complaining is simply not the way—I mean, it's useful to have, but it's not the way to do it, first; second, you're looking at prevention, but I don't see how that can work when there is self-regulation, which doesn't make any sense. Yes, you've got committed staff, but it just doesn't work.

**Mr. Ray Pichette:** If I may, sir, a couple of things. We have more inspectors in southern Ontario than we do in northern Ontario because of the amount of production that goes on. This can vary between inspectors, but an inspector can have under their portfolio or their geography somewhere in the order of 180 to 220 sites.

From a perspective of the compliance reports, the concept there is that the operator must take the site plans, the conditions, the standards, and actually perform a self-assessment of their site and the compliance, write it down, sign it in, submit it. So it's somewhat of a declaration that they are in compliance, or, if they're not

in compliance, that they are going to remedy that within 90 days. If they falsify that document, they are actually automatically in suspension, even though they don't know it.

Our intent here, on a risk-based approach, is to visit, so the inspectors get these compliance reports, look at them and say, "This is a bad one"—

**Mr. Rosario Marchese:** I understand. Quite right; good. I appreciate that.

So these people present their report, because they are doing it themselves. They submit it to you, and then you do an analysis; you verify whether it's true or not. How many have you found to be noncompliant?

**Mr. Ray Pichette:** We review all the compliance reports that are submitted, and then, from that, the inspector will set up a priority listing on those that might seem suspicious. Their targets annually are to visit at least, minimum, 20% of the sites that they have in their piece of geography.

**Mr. Rosario Marchese:** Which we hear probably doesn't happen, given that one person has 180 to 220 sites—

**Mr. Ray Pichette:** No. It happens.

**Mr. Rosario Marchese:** —and they write reports. Okay. So how many were noncompliant? Do you have those numbers?

1700

**Mr. Ray Pichette:** No, I'm afraid I don't have that number.

**Mr. Rosario Marchese:** Does anybody have them, from the other staff? But you keep track, right?

**Mr. Ray Pichette:** We do put charges on the website.

**Mr. Rosario Marchese:** Is it possible to send that to us ASAP? I'm interested to know how many of these folks are levied the fines, because you guys do enforcements regularly, as you say.

**Mr. Ray Pichette:** What we can provide you, sir, is some indication of how many orders are issued, how many charges, warnings, things of that nature, rather than give you—how many are in noncompliance is a little subjective.

**Mr. Rosario Marchese:** Okay, that might help. Yes, that would be useful, if you don't mind.

The other question has to do with rehabilitation, because you say that rehabilitation orders are enforceable. I was curious to hear you say that some people who own the land don't want their land to be rehabilitated, which was fascinating. Do we know how many sites have not been rehabilitated?

**Mr. Ray Pichette:** When I mentioned the landowners who wished not to have their sites rehabilitated, that's only abandoned sites that predated any provincial regulations.

**Mr. Rosario Marchese:** So 1970, whatever. Okay, so forget them.

**Mr. Ray Pichette:** All licensed and permitted sites require mandatory rehabilitation. There is no discretion there.



**Mr. Rosario Marchese:** We understand that some sites, at least from the Environmental Commissioner, have not been rehabilitated. Is that true?

**Mr. Ray Pichette:** I believe he was speaking to the abandoned sites. We'd have to check Hansard.

**Mr. Rosario Marchese:** All right. So every other site that has been excavated for the purposes of aggregates, once they've been done, or exhausted, they have all been rehabilitated, as far as you know.

**Mr. Ray Pichette:** Yes. They have a legal requirement to rehabilitate, both in a progressive and final nature. If for some reason the company becomes insolvent, there are provisions as well.

**Mr. Rosario Marchese:** You heard my question about the aggregate operators responsible—

**The Chair (Mr. David Orazietti):** Mr. Marchese, if you've got something very brief, you can—

**Mr. Rosario Marchese:** —for assessing their own compliance with site plans. The Environmental Commissioner said that would be okay, as long as we had enough staff to monitor that, and he says you guys don't. What do you say?

**Mr. Ray Pichette:** I never said we didn't. It's kind of difficult for a public servant in this day and age to say that we have shortcomings. We have a committed staff doing the best they can.

**Mr. Rosario Marchese:** Sure. Thank you.

**The Chair (Mr. David Orazietti):** Thank you. Liberal caucus: Mr. Colle, go ahead.

**Mr. Mike Colle:** Yes, thank you, Mr. Chairman. Just in terms of the application process, it sort of strikes me as odd that the notification area is only 120 metres from the site. How can it work in terms of getting the public involved if it's only a 120-metre notification requirement?

**Mr. Ray Pichette:** Well, Mr. Colle, there are postings at the site as well, big signs on all faces that have visibility from the road. There are notifications in the paper. The 120 metres is personal notification in the form of a registered letter or in-person notification.

**Mr. Mike Colle:** Would it be that onerous to expand this? I'm just seeing the practicality of this. Why not make it 1,000 metres, 2,000 metres? Because you're already notifying through the papers and you're posting to the stakeholders and municipalities. Given that this is not downtown Brampton, where you'd have to notify all householders when you do any kind of rezoning application, would it be that onerous or that expensive to call for a 1,000-metre or 2,000-metre notification area?

**Mr. Ray Pichette:** Just to give you a sense of the 120, it was an appropriate number for the day. It was very much in line with some of the Planning Act notification aspects. I would agree with you, Mr. Colle, that it's old and it could be expanded.

The one thing I always have to qualify is that we, and those who are helping ministers and governments create public policy—as much as you've got the large players and the big multinationals, we have a lot of local businesses too. We're trying to create minimum standards in

terms of notification. We do encourage all companies to go as far as they can in the notification side.

**Mr. Mike Colle:** Okay. Also, in terms of the period of notification, it's only 45 days. Again, would it be onerous on people if it were doubled to 90 days? What's the downside of doing that?

**Mr. Ray Pichette:** There is actually no downside. In fact, I would even go so far as saying that we should have upgraded that standard and notification period, because the Planning Act's notifying period is now 120 days.

**Mr. Mike Colle:** Yeah, so it probably would work. I don't want to put words in your mouth, but if it went to a compatible number like 120 and 120, there would be some uniformity there in terms of allowing the public the access to input into the process.

**Mr. Ray Pichette:** Absolutely.

**Mr. Mike Colle:** The other thing is that the licence requirements—the proponent has to come up with a site plan, reports, prescribed conditions, notification. These are all individual reports, or would they all be combined into one report that one consultant might do for the proponent? I'm not sure how you're describing these.

**Mr. Ray Pichette:** Normally they're separate reports because, for example, the way the standards are driven, there are different categories. If your undertaking is planning a quarry below water, fairly extensive hydrogeological studies are required, so that will be a single report. There are natural environment studies; that will be a single report. Cultural heritage studies by a licensed archaeologist will be another report. So they're normally separate reports, in some regard. Then there's possibly a report, depending on the activity and the undertaking, that tries to integrate them, but there will still be the separate reports.

**Mr. Mike Colle:** How long might this take, this process where these reports—how long do they have before these reports are filed?

**Mr. Ray Pichette:** Again, the way the process is, they'll come in with an application with all these reports and site plans, and then our job is to deem whether it's complete or not. We don't comment on content but on whether it's complete. Those reports leading up to that often take several years because, particularly if there are water implications, you have to go through a few cycles.

**Mr. Mike Colle:** So there's no strict time limit such that reports have to be in by a certain date? It depends on the complexity of the site and what's involved.

**Mr. Ray Pichette:** Yes. There is no set time in any preplanning, pre-work. The clock doesn't start until there's an actual completed submission, a completed application, that has met all the standard requirements.

**Mr. Mike Colle:** Is this where we get the complaints, with the proponent saying it takes 10, 12, 15 years to basically get a site working? Are these reports part of the delay in terms of getting the quarry operating, or are there other issues that drag the time out before the pit is operational?

**Mr. Ray Pichette:** Prior to the 1997 act, we would have applications in the 15-year range. That isn't really



allowed today. So if some studies—it would depend on the undertaking. For example, an endangered species study could take several years. Water studies could take a couple of years before you get conclusive information needed for the application. So it could be anywhere from six months for a small operation, but three, four years of studies prior. Once they decide to come with an application, and it's deemed complete, they've got two years to fulfill the process requirements of the standards.

**Mr. Mike Colle:** Okay. Also, in terms of the mitigation you talked about, especially with dust, when you talk about that, are you also talking about the mitigation of dust in the transport of the material? I know they have that heavy metal mesh over the dump trucks. Or are you just talking about the mitigation on the actual site when you talk about dust control?

**Mr. Ray Pichette:** On the site. I think the dust panels over trucks are under the—

**Mr. Mike Colle:** MTO?

**Mr. Ray Pichette:** —MTO legislation. There are a host of ways of mitigating dust, particularly using water on roadways, and spreaders. We know they have to do that, so we make them do it right up front.

**Mr. Mike Colle:** And one final question in terms of the whole issue of aggregate extraction. In most things in terms of compliance, there are always the outliers. There are the 10-percenters or sometimes the one-percenters that cause all the problems. Is there any kind of breakdown? Is it always 10% of people that basically give you all the work, or is it right across the board?

**Mr. Ray Pichette:** It does vary, but you'll find certain operators receiving far more complaints because of their interpretation of the standards versus maybe ours and the local. We do encourage local communities to fully understand what is going on in those sites. The site plans are public; conditions of the licence are public. There's nothing really from our perspective to hide, so we do encourage local community watchdogs to say there's a complaint. So I would say, on average, there are certain operators that we do find we probably have more issues with than—

**Mr. Mike Colle:** Is there anybody red-flagging the outliers to give them some kind of notice that they can't continue this pattern of negative behaviour? Is there anybody that can put them on a list and say, "They have this record of"—I know there are liability issues there, but does anybody red-flag these operators?

**Mr. Ray Pichette:** We do have, again, one of the considerations under section 12 of the Aggregate Resources Act. When the minister makes a decision on licensing or the Ontario Municipal Board makes a decision on licensing, the history of compliance can be considered.

**Mr. Mike Colle:** By the minister, but it's not made public, right, the public access?

**Mr. Ray Pichette:** I do believe our charges are posted on our website, so it is public.

**Mr. Mike Colle:** Okay. Anyway, I want to thank you for a very clear presentation in good, clear Canadian Tire

English to make us understand this very complex presentation. Thank you.

**The Chair (Mr. David Oraziotti):** Okay, folks, you've got your 10 minutes, but we've got four minutes to a vote, so the committee will recess for five to 10 minutes to allow members to vote and then we'll come back and continue with 10 minutes for questions from the Conservative caucus.

*The committee recessed from 1713 to 1724.*

**The Chair (Mr. David Oraziotti):** Okay, folks, we'll get started. The Conservative caucus has 10 minutes for questions.

*Interjections.*

**The Chair (Mr. David Oraziotti):** Excuse me, folks at the back. If you don't mind, have a seat or take the conversation outside; it would be greatly appreciated. Thank you very much.

Ms. Jones, go ahead.

**Ms. Sylvia Jones:** I have a number of questions based on your presentation, which was very detailed, thank you. My first one starts with page 6, where you talk about policy framework for aggregates. You talked about other legislation that plays a role as permits are given or not given, and you said "the federal Fisheries Act," and then you said "at this point in time." Can you clarify that, please?

**Mr. Ray Pichette:** Maybe I shouldn't have. There is some suggestion right now that the federal level is altering the Fisheries Act through their process or their budget bill, and I'm sorry to say I don't exactly know all the details around that.

**Ms. Sylvia Jones:** Okay, fair enough. On page 7, under "Recycling of Aggregates," I have also heard that MTO is doing a good job of incorporating recycled aggregate into their requests for road building and rebuilding. I have also heard, and I think it's actually in the state of the resource study, where municipalities have not come on board to the same extent. Is there an opportunity, as we go through the ARA review, for us to motivate municipal governments to include more recycled aggregate in their road rebuilding projects?

**Mr. Ray Pichette:** Yes.

**Ms. Sylvia Jones:** How?

**Mr. Ray Pichette:** Some municipalities are very much into recycling and encourage it, either in separate sites or within our licensed sites. Others, for some reason, whether it's a bad experience in the past—you do hear about a bad experiences where they used recycled material, the project failed and you had to go out and remove what they did and come back. But I think the establishment of this Ontario aggregate resources organization, collectively bringing that sector together for specifications best practices, will show that recycled aggregates that meet specifications should be used.

I think your committee has an opportunity in that direction, whether it be some form of incentive or regulatory requirement, to encourage municipalities to get on the bandwagon.

**Ms. Sylvia Jones:** Okay. Thank you.



On page 9, you talk about sort of the history of where the Aggregate Resources Act first came into place. How were permits given out pre-1971?

**Mr. Ray Pichette:** Municipally: municipal zoning, municipal authorities. In some cases, it just happened.

**Ms. Sylvia Jones:** And they would have parameters just like an application would today, in terms of “thou shalt”? I know they wouldn’t have a rehabilitation component; I understand that. But in terms of the specifics of when they could extract—times, dates, that kind of thing—are they consistent?

**Mr. Ray Pichette:** No, it was totally variable for municipalities, particularly in the 1950s and 1960s. They would certainly authorize the operations through some form of zoning, if they had that capacity for zoning. The rules would vary from municipality to municipality.

**Ms. Sylvia Jones:** So, for a period of years now, MNR has been responsible for oversight and regulation. Do you have those pre-1971 permits?

**Mr. Ray Pichette:** Yes. Of course, some of them actually became abandoned pits before the 1971 legislation.

**Ms. Sylvia Jones:** Yes. I’m specifically talking about ones that are still active.

**Mr. Ray Pichette:** Yes, they were grandfathered. I know that’s not always an appropriate word, but the 1971 Pits and Quarries Control Act grandfathered those sites and raised the standards. To give you some sense, I could tell you that most of the Niagara Escarpment quarries are all pre-1971. In fact, a large part of the production we’re still relying on is pre-1971 sites.

**Ms. Sylvia Jones:** Okay. Would you be able to provide to this committee how many pre-1971 permits are still in active operation? Again, I’m thinking in terms of the active, not the abandoned or the finished.

**Mr. Ray Pichette:** I just want to qualify, Ms. Jones. The one thing we need to remember is that some of those sites, in theory, became active in 2007. So we need to qualify, because when we did redesignate new lands, the sites that existed in those municipalities became grandfathered as well under the new legislation.

Is there any area in particular, like southern Ontario? When the Pits and Quarries Control Act first came into play, the only area that was designated was the Niagara Escarpment. The rest of the province was still under municipal control.

1730

**Ms. Sylvia Jones:** Okay. I think it’s important for us as a committee to understand how many permits we’re dealing with under the Aggregate Resources Act and how many were grandfathered.

**Mr. Ray Pichette:** We’ll get you that information on a time basis too.

**Ms. Sylvia Jones:** Because there is a bit of a differentiation.

The last question, because I know other members had questions as well: On page 17, where you talk about the application process for new aggregate licences of private land, I don’t see anywhere where it talks about a minis-

terial zoning order. Where in this labyrinth of approvals and applications would a ministerial zoning order ever be used?

**Mr. Ray Pichette:** This is a minister’s zoning order under the Planning Act?

**Ms. Sylvia Jones:** Yes.

**Mr. Ray Pichette:** It isn’t part of this process.

**Ms. Sylvia Jones:** So that is something that is forced on you from another ministry, from Municipal Affairs and Housing. Is that right?

**Mr. Ray Pichette:** I would say that that order is at the discretion of the Minister of Municipal Affairs.

**Ms. Sylvia Jones:** And that can happen at any point in the application process?

**Mr. Ray Pichette:** It can happen at the discretion of the Minister of Municipal Affairs at any time.

**Ms. Sylvia Jones:** Okay. Thank you.

**The Chair (Mr. David Oraziotti):** Further questions? Mr. O’Toole, go ahead.

**Mr. John O’Toole:** Yes, just a couple here. Thank you very much for a very comprehensive, or a speed-read on a very large file—looking at your books and the background—so I’m qualified to not ask questions of any detail.

Just a clarification: I’m just following up on Sylvia’s questions with respect to grandfathering. Would some of the expansions occur under the same sort of relationship with MNR? A good performer who was looking to expand an existing pre-1971 that’s operational, as need arises: Would that be treated in the same way? They’d have done none of these studies that would be required.

**Mr. Ray Pichette:** Mr. O’Toole, the word “expansion” isn’t quite a word we use. Any expansion of an existing site is actually a new application. It starts all over again.

**Mr. John O’Toole:** It’s new, so that’s what would happen. So there probably are pits like that.

On slide 13 in your deck—these are on private lands—there are 3,720 current, and there are about 45 new per year. Are some of those 3,700 sites included in your pre-1971?

**Mr. Ray Pichette:** Yes.

**Mr. John O’Toole:** How many of those would be large ones, like 20,000-plus tonnes per year? I think Ms. Jones was asking about—it wouldn’t be bad if we had sort of that kind of map. I agreed very much with that.

**Mr. Ray Pichette:** Yes, we can get that.

**Mr. John O’Toole:** On an even smaller scale, I’m looking at the wayside pits. I’ve always heard the term but I wasn’t really sure. These are supposed to be short-term. Would they be used for storing sand for roads and stuff like that?

**Mr. Ray Pichette:** They can be.

**Mr. John O’Toole:** Could they be recycling?

**Mr. Ray Pichette:** Yes, they could.

**Mr. John O’Toole:** I’ve seen them doing grinding and all that kind of stuff—asphalt for road work.

**Mr. Ray Pichette:** The one thing that the wayside pits—again, they’re only public authorities; that’s the



first thing, although they might be operated by the contractor. The contractor has the project. They'll go in there and extract the aggregates. A part of their site plan could involve some form of crushing because of the type of rock, yes. It's to be used on that project and that project only. Eighteen months later, it should be fully rehabilitated.

**Mr. John O'Toole:** Do they go through the same detailed studies for water and—

**Mr. Ray Pichette:** Yes, but they don't require zoning. The wayside permit is exclusively a provincial decision.

**Mr. John O'Toole:** Very good.

These are very comprehensive flow charts in terms of time. I would imagine there would be contact with MNR if someone is assembling land and trying to determine how possible it is to develop a site. They would have studies done before they put an offer to purchase in and all that kind of stuff, so I would imagine there's a lot of work done before they ever go through this process of the two years. Is that a correct assumption?

**Mr. Ray Pichette:** If you're saying, do they contact us prior to—

**Mr. John O'Toole:** Sure.

**Mr. Ray Pichette:** It varies. It really does.

**Mr. John O'Toole:** But generally, they would have to know, or if they've done some study prior to even contacting you to see if there's any—can they do test holes and stuff like that without—

**Mr. Ray Pichette:** Yes, if they have the rights to access the land, they do test holes; absolutely. They'll do their exploration. We won't be aware of it. It could be right up to the day we get the application.

**Mr. John O'Toole:** Yeah, and I follow one quite closely that's in sort of southwestern Ontario where they've applied and at the end were refused, and they've got a fortune invested in all these studies. Is that kind of a normal thing?

**Mr. Ray Pichette:** Specifically the crushed-stone quarries are very expensive now in terms of the work that is needed just to make the application, let alone the application process, particularly if it goes to the Ontario Municipal Board.

**Mr. John O'Toole:** Yes. You made a brief kind of reference to the federal change of expediting this process without softening or weakening our environmental standards. Do you think this process here should expedite—it is a resource.

**The Chair (Mr. David Oraziotti):** Mr. O'Toole, just briefly wrap it up. You're on to 12 minutes now, so if you want to just ask him to—

**Mr. John O'Toole:** Do you see that as part—not of softening the environmental standards, but expediting? This is an important resource for the economy and infrastructure of Ontario.

**Mr. Ray Pichette:** I think the process can always be made more efficient without undermining the environmental and social objectives.

**Mr. John O'Toole:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you for your presentation today. We appreciate you coming in. That's all the questions we have for you.

**Mr. Ray Pichette:** Thank you.

**Ms. Sylvia Jones:** Chair, if I may?

**The Chair (Mr. David Oraziotti):** Ms. Jones.

**Ms. Sylvia Jones:** In the same way that we asked or requested that the commissioner come back if we needed any further information or clarification, I would hope that the very resourceful staff would do the same.

**The Chair (Mr. David Oraziotti):** Absolutely. I don't see a problem with that.

**Mr. Ray Pichette:** Yes. Thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much. We appreciate your time.

**Mr. Mike Colle:** Mr. Chair, I just referenced earlier that I would like some requests made of our research team for all members of the committee if they wish to have it.

**The Chair (Mr. David Oraziotti):** Okay. Now is the time.

**Mr. Mike Colle:** I've written this out and I'll give it to the research team. I would just ask for not a comprehensive but a good overview for us of these issues:

One, the typical haulage cost when a demolition takes place on a typical site in, let's say, a city—what the costs are in demolition, and also the extraction of the debris off-site, if there's any cost incurred in fees, municipal or provincial;

Two, a quick look at what the UK charges to encourage reuse of demolition materials, as referenced by the Environmental Commissioner;

Also, perhaps a look to see if there is any other jurisdiction that has put together some sort of self-regulatory oversight model for governing aggregate extraction; and

Lastly, a look at other jurisdictions in North America that would have updated aggregate extraction legislation that might be of help to us—to see if there is any updated legislation that might be of value for us.

I would just ask research to bring those forward when they can.

**The Chair (Mr. David Oraziotti):** Okay. Anything further of research? Ms. Scott.

**Ms. Laurie Scott:** I'll ask a question, maybe, of research. Was anything in the SAROS report ever implemented? If so, what was it? I didn't get time to ask questions of the ministry, so it might just be a phone call to them. I just didn't get it in.

**The Chair (Mr. David Oraziotti):** Anything further? Okay.

*Interjection.*

**The Chair (Mr. David Oraziotti):** What research provides is going to be provided for the whole committee.

Okay, folks, thanks. That's it for today. The committee is adjourned.

*The committee adjourned at 1739.*









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### Standing Committee on General Government

Aggregate Resources Act review

Chair: David Oraziotti  
Clerk: Sylwia Przedziecki

## Assemblée législative de l'Ontario

Première session, 40<sup>e</sup> législature

## Journal des débats (Hansard)

Mercredi 9 mai 2012

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## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENTCOMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Wednesday 9 May 2012

Mercredi 9 mai 2012

*The committee met at 1606 in room 228.*

## AGGREGATE RESOURCES ACT REVIEW

**The Chair (Mr. David Oraziotti):** Good afternoon, folks. Welcome to the Standing Committee on General Government. We're here to continue the review of the Aggregate Resources Act and hear presentations this afternoon.

We have a number of items on the subcommittee that we will deal with later, following the presentations that have been scheduled. I think as a courtesy to our guests, we'll continue hearing that, and then we'll get to the other items at the end of the agenda.

ONTARIO STONE, SAND AND GRAVEL  
ASSOCIATION

**The Chair (Mr. David Oraziotti):** We can start with the Ontario Stone, Sand and Gravel Association. Ms. Miller, welcome to the Standing Committee on General Government. Good afternoon. You have been scheduled, according to committee, for a half-hour presentation. So you have 15 minutes for your presentation, then there'll be five minutes allocated to each caucus for questions. Any time that you don't use in your presentation will be divided among members equally for questions.

You can just start by stating your name for our recording purposes and proceed when you're ready.

**Ms. Moreen Miller:** Thank you very much. My name is Moreen Miller. I'm the chief executive officer of the Ontario Stone, Sand and Gravel Association.

Chair and members of committee, good afternoon. It's my pleasure to be before you today to convey the thoughts and ideas from the Ontario, Stone, Sand and Gravel Association. OSSGA represents 265 member companies that produce over 70% of the stone, sand and gravel in the province.

The aggregate industry is a primary engine for economic growth and prosperity in the province. Nothing gets built without aggregate: safe roads, power stations, municipal water supply systems, homes, schools, churches and hospitals. High-quality aggregate products are the very foundation of the provincial economy. Stone, sand and gravel are non-renewable resources. Once depleted or sterilized, they are lost forever.

The provincial interest in aggregate resources is based on long-standing principles that have served Ontario

well. We hope that this review does not change the main tenets of the provincial interest in aggregates that include provincial regulation and control, the protection of dwindling aggregate supplies for future extraction and the concept of extracting non-renewable resources close to where they will be consumed.

OSSGA understands that the last major revision to the ARA was in 1997 and that it is time to review the legislation again, but a review should not be used as a forum to undermine the provincial interest or to jeopardize the provincial economy. This review is an opportunity to rationalize and eliminate duplication of process and policy. There is an opportunity to make the application process more efficient, more transparent, more understandable and less bewildering for both proponents and opponents of new pits and quarries.

When the ARA was introduced in the Legislature in 1989, it was hailed as leading-edge, environmentally focused legislation. While it may be time to undertake a review, please don't lose sight of what is working well. The ARA isn't broken, but it does need updating.

The location of aggregate resources is fixed. Stone, sand and gravel have to be extracted where they occur. It's not like other forms of development, such as homes, stores or recreation areas, that can be built in many different places.

Not all areas of the province have aggregate deposits. They are only found in certain geologic formations and certain locations. Many of the geological formations that provide our aggregate resources also provide our agricultural resources, our recreation lands, our forests and our tourism destinations. The challenge is to strike the appropriate balance between these competing resource interests.

Not all aggregate deposits make good products, either. Many geological formations are not suitable for high-quality construction aggregates and do not meet the specifications required for high-quality concrete and asphalt mixes.

A fundamental premise of our provincial policy is that those municipalities that have aggregate resources have a responsibility to supply those that do not have a supply, as well as meet their own needs.

1610

Location matters, because approximately 50% of the cost of aggregates is the cost of transportation. It is important to develop aggregate resources close to the consumption areas.



We have all heard of the 100-mile diet, and we all understand that buying food locally makes sense. It makes sense from an environmental standpoint and from an economic standpoint. Exactly the same principles apply to aggregate supply. We should buy our aggregates locally; that is, we should embrace a 100-kilometre infrastructure envelope. It's sound environmental and economic policy. Location matters.

The aggregate industry is critically important to the province's economy. Even those who oppose pits and quarries recognize that a reliable and secure supply of aggregates is essential for a healthy provincial economy. Concrete and asphalt are, by volume, more than 85% aggregate. So when we discuss aggregates, we're talking about those products also. Current economic data is provided in the package in front of you.

In 2010, 166 million tonnes of aggregate were produced in the province, and 60% of that was consumed by public authorities, the majority of which was used to build public infrastructure. We consume approximately 13.5 tonnes per person in Ontario each year. While this may seem high, consumption in Ontario is in line with consumption in northern European countries having a similar climate, as illustrated in the materials in your package. It is safe to assume that even with conservation practices, consumption will increase as population increases. If, by 2031, the population of Ontario increases by 3.7 million people, as set out in the growth plan, by then we will need 50 million more tonnes each year.

It must also be acknowledged that Ontario's current infrastructure is aging. The growth plan is clear: "Decades of neglect and lack of sufficient investment have resulted in the current infrastructure deficit. Tens of billions of dollars beyond current levels of investment will be required before the situation is back in balance."

Close-to-market supply of aggregates is also being depleted quickly. The SAROS study illustrated that there will be shortages in the GTA for high-quality stone in the next decade. The GTA currently only produces 50% of what it consumes.

Currently, the top 10 producing municipalities produce 30% of the provincial tonnage. Interestingly, these 10 municipalities only have 13% of the population. As a contrast to this, the cities of Toronto, Mississauga, Brampton, Newmarket, Aurora, Whitby and Oshawa contain 4.3 million people and no longer produce aggregates. These figures are illustrated in your information package.

There's a long history of development of legislation, regulation and policy to govern the operations of pits and quarries in Ontario. There's been an evolution of the provincial interest in aggregates dating back to 1971, with the original Pits and Quarries Control Act, right up to the most recent changes to the levy in 2007. This demonstrates that the province has been responsive and has made changes on a reasonably regular basis over the years. We've included that chart of history in your information package.

This legislative and policy evolution has reflected the growth of our industry, in terms of environmental

performance and continuous improvement, but has also reflected the challenges of balancing Ontario's natural resource interests to ensure that future generations will prosper. As much as there has been change, we believe that more change is needed.

The components of the ARA before you as a committee speak to a number of issues that are governed by the ARA, but also to a number of issues that fall outside of the act and its implementing documents.

The consultation process is set out in the provincial standards. It's proponent driven. It has inherent requirements for public input, including public meetings, and obligates the proponent to respond to every expression of concern or objection in an attempt to address issues. This has proven to be a lengthy but generally workable process. However, the process could be fine-tuned and could be made more efficient. We are open to changes that bring clarity, efficiency, more public input and opportunity for the development of good ideas surrounding individual applications. Our detailed recommendations to you on this are included in your package.

OSSGA's view is that siting and aggregate resource protection are matters of provincial policy covered under the provincial policy statement, and are outside a review of the ARA legislation. Strong policy regarding siting already exists.

A related consideration is the method by which aggregate is transported in Ontario. At the turn of the century, almost all aggregate was moved by rail. Trucks did not become the mainstay of transportation until after World War II. If we fast-track to today, less than 5% of Ontario's aggregates are moved by water and even less by rail.

This is a significant issue for all Ontarians and speaks clearly to the importance of keeping our sources of stone, sand and gravel close to where they will be consumed. Right now in the GTA, three million trucks move into the GTA every year loaded with product, and those same trucks return empty to their source three million times. Moving these sources further from market increases fuel consumption, greenhouse gas emissions and wear and tear on our roads. It also makes trucks pass through more communities and by more individual residences.

Do we have options? OSSGA believes that we have a significant challenge ahead of us to try to find suitable alternative means of transportation. Given the fact that much of our rail transportation infrastructure has been ripped up and given a lack of viable deep water ports, truck transportation is the only viable option we have right now.

Section 48 of the ARA requires progressive and final rehabilitation for all pits and quarries. These sites become wildlife habitats, wetlands, recreational parks, farms and new communities. Once sites are rehabilitated to new lands uses, communities forget what used to be there. There are no better examples of this than the Royal Botanical Gardens in Hamilton, Kelso Quarry Park in Milton and East Park Gardens in London. OSSGA members are committed to minimizing disturbed area



during extraction and completing excellent final rehabilitation.

OSSGA disagrees with some of the statements on rehabilitation made by the Environmental Commissioner to this committee on May 7. OSSGA will be publishing the results of its comprehensive rehabilitation study very shortly, which demonstrates that Mr. Miller's concerns are not realized. We will send that study to you once it's released.

OSSGA believes that the licensing procedure has become too confusing, complex and onerous for opponents, proponents and other community members interested in following an application through the process. People lose faith in the process when it becomes too complex.

In addition, there is substantial uncertainty, time and cost to license new facilities for both aggregate producers and local communities. Included in your package is a list of recent applications that have frustrated everyone. This ARA review provides an opportunity to make the ARA application process more efficient, productive and transparent for proponents, opponents and others.

OSSGA recommends a rationalization of the licence approval process. There are approximately 25 pieces of federal and provincial legislation which are applicable to pits and quarries. There are also overlapping policies and numerous approval authorities, and simplifying this process would be helpful to re-engage everyone in finding the right solution.

OSSGA strongly recommends that remaining aggregate reserves be protected from sterilization as per the existing policy set out in the provincial policy statement, as well as through regional and local official plans.

Now my favourite part, new developments in the industry: OSSGA members produce the majority of recycled products in Ontario. As a result of that, OSSGA and six other industry associations launched Aggregate Recycling Ontario in 2011. ARO aims to educate Ontarians about aggregate recycling, adopt new best practices, engage our municipal partners and further encourage the province to support more recycling. We do, however, have some challenges to overcome.

One criticism is that other countries recycle more than we do. The chart contained in your packages shows the recycling rates of many European countries, and you will see that there is a large variation in the recycling that's done in Europe. Ontario is somewhere in the middle. However, we can do more.

The problem is benchmarking—not all of the material recycled in Ontario is being recorded. The production of 450,000 tonnes of recycled aggregate product from the demolition of Toronto airport terminal 1 several years ago shows that not all recycled products are processed in pits and quarries. We need a way to record all of this recycling.

The obstacles to recycling are also not necessarily with the aggregate industry. ARO did a study last year of 121 municipalities, and the results show that many municipalities are still not allowing recycled aggregate to be used in their infrastructure projects. This must change.

OSSGA also recommends that the provincial policy statement and the provincial standards be revised to require aggregate recycling where materials are available. Aggregate recycling should be a mainstream activity of responsible aggregate production.

OSSGA also promotes innovative and sustainable water management. Aggregate producers are water handlers, not water consumers. Where appropriate, adaptive management plans are being implemented by OSSGA members, incorporating current technology around water management in pits and quarries.

OSSGA also embraces the study of cumulative impacts as evidenced by the best practices guidelines for pits below the water table, prepared jointly by the Ministry of Natural Resources, Grand River Conservation Authority and OSSGA in 2011. This year, the independent OSSGA cumulative impact study currently being conducted on the Carden Plain east of Orillia will be completed.

You have also probably heard that the aggregate industry is exploring certification outside of the regulatory framework. Two incorporated groups, SERA, Socially and Environmentally Responsible Aggregate Canada, and the Aggregate Forum of Ontario, known as AFO, are working towards a framework and a set of industry standards that would be the start of the process of certification. This is exciting and challenging, and OSSGA looks forward to continuing to work with its partners on this initiative.

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Like the government, OSSGA has heard complaints that the system is not working, such as insufficient MNR oversight over new applications, insufficient MNR inspection of operating pits and quarries, insufficient enforcement, operators not paying a sufficient aggregate levy to cover wear and tear on local and regional roads, insufficient time available to respond to ARA applications and insufficient opportunity for input on those same applications.

The existing PPS provides clear direction to decision-makers that environmental and social impacts be minimized. That is already required.

The real issue is a funding issue: funding of the MNR aggregates program. The program needs money to run effectively. A strong MNR is needed to properly implement government legislation and policy, and to protect communities by exercising existing enforcement controls currently found in the Aggregate Resources Act. OSSGA supports enforcement efforts and raising the bar through implementation of strong legislation, that being the Aggregate Resources Act.

Regulation 244/97 sets out that producers pay 11.5 cents per tonne to be split between the local municipality, the county or region and the province. OSSGA recommends a thorough examination of how the levy might be appropriately apportioned between local and regional governments, the province and the Ontario Aggregate Resources Corp. OSSGA further recommends that the standing committee consider increasing this levy. The



levy should be directed to managing the aggregate resource and should be administered in a special-purpose account, allowing for complete transparency in terms of where the dollars are spent. At the municipal level, the levy should be directed to infrastructure development to build and strengthen these communities for the future.

That will solve the real issue. The other issues can be resolved by modifying the provincial standards for public notification and public process, as we noted earlier.

In summary, OSSGA recommends the following as solutions for moving forward:

- implementing a more efficient approval process that provides clarity, certainty and solutions for all parties;

- maintaining the provincial interest in aggregates that has served Ontario so well through maintaining close-to-market policies, protection of dwindling aggregate supplies for future extraction and continued provincial regulation;

- increasing the aggregate levy to help fund the MNR aggregate program to address issues raised by other parties; and

- implementing the changes to the provincial standards set out in this submission.

OSSGA sincerely thanks the committee for their time today.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. The Conservative caucus, Ms. Jones, go ahead.

**Ms. Sylvia Jones:** Thank you for your presentation, Ms. Miller. You are not the first presenter who has talked about recycling and the need for more. I was familiar with the stat that talks about many municipalities in fact not allowing anything but virgin material when they resurface their roads or do new road construction. We're a provincial committee. How do we motivate our municipal partners to up that?

**Ms. Moreen Miller:** Well, one of the challenges we have is that the words "aggregate recycling" don't appear anywhere in the provincial policy statement. We would very much recommend that the provincial policy statement—it is under review right now with the current government—reflect very clearly that aggregate recycling is a mainstream part of our industry. The second recommendation we would make, as I said in my presentation, is that aggregate recycling should be a mainstream part of every operation. Operations should be encouraged to recycle, and they should be encouraged to include that as part of their licence application process. That could certainly be covered through changes to the provincial standards.

**Ms. Sylvia Jones:** Okay. How much time do we have?

**The Chair (Mr. David Oraziotti):** A couple of more minutes.

**Ms. Sylvia Jones:** Okay, I'd better let—

**Ms. Laurie Scott:** I'll just ask quickly what Sylvia's thinking. I know that when the Environmental Commissioner was in on Monday—I believe you were here and heard his presentation—he did mention the recycling

thing and about the United Kingdom. I don't know if you know about that or could expand on that a little bit further.

**Ms. Moreen Miller:** I'm sorry, on which?

**Ms. Laurie Scott:** The United Kingdom. I think you mentioned it.

**Ms. Moreen Miller:** Yes. Interestingly enough, part of the Aggregate Recycling Ontario forum, on December 15 last year, was to actually engage the president of the European association that deals with recycling in the UK. One of the challenges the UK has found is that while they have a large levy on virgin products in the UK, most of that money goes toward the paperwork required to maintain and benchmark the system. While they do a lot of recycling, they also have a lot more recycling material available, and they have a very, very complex process of benchmarking the information. So we have some choices. We can do the benchmarking or we can just get out and recycle more aggregates. I'm not sure I have an answer for you, but I think they're somewhere in the middle.

**Ms. Laurie Scott:** I thank you for that. I just wanted to kind of clarify, because we hear one side, and I do appreciate you coming in today.

I'll tag back over to Sylvia, who has another one if we have another minute.

**Ms. Sylvia Jones:** Thank you. On page 7, you talk about the 11.5-cent-per-tonne levy. You're very diplomatic about it, but if I'm reading between the lines, it sounds like you would like a little more strength in where that money is going and what it is being used for. Am I misinterpreting how you are presenting that?

**Ms. Moreen Miller:** I think, to be fair to all of the players, all Ontarians who want to see the Aggregate Resources Act and the mandate of the Ministry of Natural Resources work better, we believe that there needs to be certainty and full transparency with the money that comes from the levy. So if there is an increase in the levy, we certainly expect that that can be tracked completely transparently. Currently, it goes into general revenues in government. We would like to see that separated out into a special-purpose account so that everybody can be very clear where that money goes and what it goes for.

**The Chair (Mr. David Oraziotti):** Thank you. That's time. I appreciate it.

We'll move to the NDP caucus. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Thank you, Mr. Chair. Thank you, Ms. Miller. I appreciate some of the comments you've made, particularly around recycling, because that's a big interest of mine and of many.

We know that the costs are going to get higher and higher. We've been told that excavation is likely to move further and further north because of the demand in the next 20 years. We understand from these reports that the costs are going to be extremely high. So it seems to me that recycling will become more and more important. We went from six million tonnes in 1991 to 13 million tonnes in 2006, which I suppose, in some people's minds, might



be a big deal, but it's not a lot considering that we're talking about 15 years or more.

Clearly there's more that should be done, and you're recommending that we need to do more. Part of the levy that you're recommending could go into research, which is what they're doing in the UK in terms of recycling. So you're encouraging the ministry, or us and the ministry, to do more in this area because some municipalities are not involved. So you're saying that the ministry should do more or the minister should deal with that in a much more proactive way. Is that what I hear you saying, more or less?

**Ms. Moreen Miller:** Yes. I think there are two ways. This is one of the areas where we feel that the Aggregate Resources Act is one method to encourage, but we also think that, through the provincial policy statement, aggregate recycling could be further encouraged.

Industry has a lot of work to do on this as well. We take responsibility for the fact that we need to do more education. We need to be more engaged with our municipal partners, but they need to understand that it is no longer acceptable to say no to virgin aggregate, to new aggregate sources, and also say no to recycled products. We're finding that that is occurring—not everywhere, but with a regularity that we would like to see reduced.

**Mr. Rosario Marchese:** How much time do I have, because I have a couple of questions, and I want to be sure that I get them in?

**The Chair (Mr. David Orazietti):** You've got about three minutes.

**Mr. Rosario Marchese:** Three minutes. Good.

What about the industry itself creating some special initiative, a project, so that you could show leadership in the recycling sector? I know the ministry should do it, but would you, because you sound so progressive on this issue, not be a proponent of creating some pilot project in the area of recycling where you honour someone in this area for doing more?

**Ms. Moreen Miller:** You must have been sitting in on our meetings, because we have, in fact, talked about those exact ideas.

The Ministry of Transportation is one of the biggest proponents of recycled aggregates. You don't drive on a 400-series highway in this province without driving on recycled aggregates. So the demonstrated ability for that material to meet the specification challenge is not a question.

To get our municipal partners to understand that that doesn't mean that the product is a lesser product is very difficult. This is dealing with big pieces of change.

**Mr. Rosario Marchese:** True.

**Ms. Moreen Miller:** So that is exactly what Aggregate Recycling Ontario is doing: gathering together everyone. We were a little surprised, as we started it. We actually had municipalities ask to become members of ARO, and we never believed—we thought it was an initiative just for industry. So we're really excited about it, and we think it has huge potential.

We believe we've already done these pilot projects. If we need to do more, we'll certainly take that under advisement and move ahead.

**Mr. Rosario Marchese:** And we'll force the minister and the ministry to do more on this.

But you're also a member of the Niagara Escarpment Commission.

**Ms. Moreen Miller:** I am in fact a sitting commissioner on the Niagara Escarpment Commission, yes.

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**Mr. Rosario Marchese:** Right. And MNR appointed you to that, right, a while back?

**Ms. Moreen Miller:** Yes.

**Mr. Rosario Marchese:** Can I ask you—because there almost seems to be a contradiction between that position and your position as president of the Ontario Stone, Sand and Gravel Association. Do you see any contradiction yourself in that?

**Ms. Moreen Miller:** I see none whatsoever. In fact, I think I have added significant contributions to the escarpment commission. One of the things I'm working on right now is developing a strategic plan with a number of other commissioners, and part of that is enhancing the Niagara Escarpment parks and open space system. We believe we can do that by some of the rehabilitative projects—26 of them—that are actually existing on the Niagara Escarpment. We'd like very much to show that those can become part of a NEPOSS system.

**Mr. Rosario Marchese:** Have you ever had to declare a conflict of interest?

**Ms. Moreen Miller:** In my former life, when I was with a private company, I had to declare a conflict of interest several times. Whenever issues come forward that are directly being challenged by the OSSGA, I also declare a conflict.

**Mr. Rosario Marchese:** Thanks very much.

**The Chair (Mr. David Orazietti):** Thank you. Mr. Colle, go ahead.

**Mr. Mike Colle:** Thank you, Ms. Miller. The first question I have is that the Environmental Commissioner said it would be reasonable to look at rail transport to replace truck transport—not for all of the transportation of aggregates. I notice you basically said it's almost non-existent, the possibility of rail transport.

**Ms. Moreen Miller:** No. To clarify my comments, I said that at the current time it will be very difficult to implement. It's something that we feel is an absolutely critical component of managing aggregate resources into the future: to find alternative methods of transportation.

We, over the years, have argued very strongly that some of the rail lines that were torn out—the one that, for example, used to go to Flesherton; it went up through Dufferin county and up to Flesherton. I have letters in our office from 1973 saying, "Please don't take that rail line out, because we think there are aggregate resources that should go by rail from that area in the future."

The rail line was removed and now we don't have that opportunity. So we have, in fact, been very clear to say that we are absolutely willing to engage in a multi-modal



transportation system. We need some help from the government and some partnership to do that.

**Mr. Mike Colle:** Okay. Has there been or is there any official comprehensive recording of the amount of recycling of aggregates that takes place? Does any ministry do that?

**Ms. Moreen Miller:** The Ministry of Natural Resources covers all recycled products that are produced in licensed pits and quarries in the province. The rest of the recycled products, where they're recycled, are recycled on site. So no ministry gathers that, and that's one of our big challenges.

The significant recycling that took place at the airport didn't get captured in those numbers. So one of the challenges we have is benchmarking, and that is a big challenge. It's one that Aggregate Recycling Ontario has put front and centre on its mandate for 2012.

**Mr. Mike Colle:** In terms of municipalities, what percentage of municipalities do not allow recycling? If you don't have that right now, if you would just—

**Ms. Moreen Miller:** I have it right here, in fact. Let me quickly tell you. When we asked the question, "Does your municipality allow the use of recycled aggregate materials in your public tenders?", some 77% said yes. When we asked them, "Does your municipality allow recycled aggregate products to be used interchangeably with primary aggregates?", 47% said no; 53% said yes. When we asked them if their planning documents allowed for recycling to take place in pits and quarries—I'm sorry, I don't have the exact number here. I have it recorded as a bar chart. But when we asked them if they allow recycling of aggregates in their municipalities outside of pits and quarries, 83% said no.

So there are two challenges there: One is that recycling as of right needs to be allowed more frequently, and the other challenge is that they need to be able to use these materials interchangeably, the same way that MTO does now.

**Mr. Mike Colle:** So there's no recycling allowed as of right?

**Ms. Moreen Miller:** In many municipalities, no. That's what they're saying; 83% said no.

**Mr. Mike Colle:** And what rationale do they give for not allowing recycling?

**Ms. Moreen Miller:** I think there has been a challenge with recycling. It has been a new activity that we've done. It's very similar to when we started recycling plastics. I think there's some uncertainty as to how it gets done and where it gets done. Part of the work that we need to do as an industry is to prove 100% that we can do that within the existing environmental standards and do a good job of that.

**Mr. Mike Colle:** And, as you said, it would be helpful if, in our provincial policy statement, we encouraged the use of recycled aggregates.

**Ms. Moreen Miller:** That would be great.

**Mr. Mike Colle:** And, as you said, one of the leading examples is what MTO does, and that's recorded.

The other question I have: I asked the Environmental Commissioner about this notification protocol—120-metres notification protocol and a 45-day window. Don't you think that if you expanded those upfront windows, you would maybe truncate the long time it takes for one of these applications to get through all the processes; in other words, if you expanded it to 120 days, as in the Municipal Act, and you gave it the 2,000-metre notification, wouldn't you get rid of a lot of the upfront angst by this wider notification window?

**Ms. Moreen Miller:** I would argue that this land use is no more permanent or complicated than other types of land use that also have a 120-metre notification process under the Planning Act. So, would that resolve it if you notified more people? Perhaps it would.

The time frame of the notification? It's important to understand that there's 45 days under the Aggregate Resources Act, but there is an endless amount of time where proponents and opponents move back and forth in a process to try to address concerns. So, is there some value in maybe trying to get those time periods to be more consistent with other acts? Potentially. The Planning Act—the requirement for notification and comment is 180 days, but at the end of 180 days, there is no more opportunity to engage back and forth with people in the community. Is there some middle ground or some way to make those work more consistently together? I think there may be.

**Mr. Mike Colle:** The last question—

**The Chair (Mr. David Orazietti):** Thank you. No, it's—

**Mr. Mike Colle:** Anyway, thank you.

**The Chair (Mr. David Orazietti):** I appreciate it. Thank you very much for coming in today.

I'm trying to keep us on schedule here, folks.

## ST MARYS CEMENT

**The Chair (Mr. David Orazietti):** The next presentation: St Marys Cement. Good afternoon, sir. Welcome to the Standing Committee on General Government. You've got 15 minutes for your presentation: 10 minutes for your presentation and five minutes for questions among members. Any time you don't use will be allocated to members to ask questions. You can start by stating your name, and proceed when you're ready.

**Mr. John Moroz:** I'm John Moroz, vice-president and general manager of St Marys CBM Aggregates. Thank you, Mr. Chair and members of the committee. Good afternoon. I am grateful for the opportunity to appear before you this year as St Marys celebrates a century of operations in Ontario as a leading manufacturer of cement and related construction products.

Since our founding in St. Marys, Ontario, 100 years ago, we have invested hundreds of millions of dollars in the province, from Windsor to Ottawa, and employed thousands of Ontario men and women. Our construction products have been major and critical components of schools, hospitals, many of the large buildings prominent



in the cityscapes of our communities—such as the CN Tower, Roy Thomson Hall, Darlington Nuclear, Seneca College and the Sir William Osler hospital in Brampton—and the roads and highways critical to Ontario's economy and our people.

Today, we have 1,200 employees working at our two cement plants, more than 40 ready-mix concrete plants and 22 aggregate operations and our transportation division.

St Marys has an outstanding environmental record. Every St Marys Cement plant operates to the highest environmental standards to control emissions, using the world's most advanced technologies to minimize greenhouse gases and manage down energy consumption. Our Bowmanville cement plant was the first facility of its kind in North America to achieve ISO 50001 certification, the new globally recognized energy management standard. We are understandably very proud of that record.

This committee begins its work from the existing act and regulations, which are thorough, tough, and have done an admirable job of protecting Ontario citizens and their environment and promoting intelligent, measured growth. We believe that your work, however, has the potential to reverse a disturbing trend in the way our industry is regulated, and I appeal to you to carefully consider my remarks as you work to ensure the protection of that environment, while fostering an economy that will encourage investment and create jobs for our children and grandchildren.

While our industry association has appropriately focused on the mechanics of the bill, I want to provide you with a more strategic view. My sole intent is to contribute to a stronger Ontario. We are not proposing a major overhaul of the act. We are encouraging the committee to look at ways to modernize the process, remove overlap and create a clear, reasonable process that will always be followed.

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It has been observed that every person in this room, your staff, all of your children and family members, every resident of Ontario—13 million men, women and children—consume 13.5 tonnes of aggregate every year, each one of them.

Half the cost of aggregate is borne by the taxpayer. The cost of aggregate is rising sharply. The principal reason for that cost increase is that our industry has been forced to look further and further afield from where the aggregate is needed. Half the cost of aggregate lies in its transportation, not to mention the greenhouse gases emitted by tens of thousands of truck trips that grow lengthier and lengthier by the year.

The sustainability of our business in Ontario is dependent on a long-term supply of high-quality aggregate reserves. The process of locating and licensing these reserves can take five to 10 years and requires a significant investment. We rely on provincial and local planning policy as our guide to siting new aggregate operations, and we reject dozens of potential sites every year because they are constrained by overlapping re-

source areas, like prime agricultural land, sensitive wetlands, woodlots and cultural heritage features.

We are not asking that the province's environmental standards or technical thresholds be compromised. We are simply asking for a clear, reasonable, consistent, consistently applied and predictable process for licensing and permitting of Ontario's much-needed aggregate resources and the removal of duplicate reviews and approvals. If the aggregate companies know and understand exactly what process will be followed, and can be assured that it will be followed, they can make the best investment decisions.

One of the most frequent criticisms that I hear is that the consultation process for aggregate license applications is confusing and inadequate. We encourage the committee to explore changes to the act that would improve the consultation process.

Our company was recently involved in an application in Northumberland county where we created a community forum to exchange information and discuss concerns with our application for a new gravel pit. The group met frequently over a period of several months, and although we were not able to resolve all the issues, the feedback we received about this process was overwhelmingly positive. People simply wanted an opportunity to access appropriate information and a forum for meaningful dialogue. The act should update the minimum requirements for public consultation on aggregate applications.

We echo the remarks from the Ontario Stone, Sand and Gravel Association with respect to the need for adequate funding to implement and enforce the act. We would support the association's proposal for an increase in the aggregate levy, provided that the funds are directed to a special-purpose account for administration of the aggregate program.

I noted earlier the disturbing trend in the way our industry is regulated in the province of Ontario. It is my respectful submission that much of this situation, which now approaches crisis proportions, grows from inappropriate and shameful political interference.

Many here will be familiar with our proposed quarry in north Hamilton, in Flamborough. I won't take the committee's valuable time in setting out its entire history. Further information is available at [flamboroughquarry.ca](http://flamboroughquarry.ca), and it has been closely and independently covered by the local newspaper, which can be reviewed at [flamboroughreview.com](http://flamboroughreview.com); just search for the word "quarry."

In 2006, St Marys acquired this site and entered, in good faith, into a thorough, lengthy and costly approval process. We understood and encouraged that all involved parties—citizens, municipalities and the province—would follow the usual approvals process. To date, we have invested over \$20 million demonstrating the project's suitability. We engaged external consultants with national and international reputations for independence and excellence. We looked forward to a time, subject to the proposal's suitability, of providing a minimum of 110 full-time jobs, \$80,000 a year in municipal



tax revenue, \$4 million to government through the aggregate licence fee over the life of the quarry and \$3 million a year spent locally on small and medium businesses for supplies and services.

We recognize that quarrying is not without controversy, and we typically run into some local opposition by special-interest groups, which may include political, environmental or even competitive interests who do not want a quarry in their backyard. Flamborough is no exception. But the government's unprecedented actions in Flamborough portray a glaring and unacceptable example of regulatory failure in which St Marys has been totally deprived of its right to participate in the normal approval processes by virtue of the government of Ontario having issued a ministerial zoning order specific only to St Marys and only to the Flamborough site, and then having followed it up with a declaration of provincial interest. We are unaware of any other aggregate license application that has been treated in this fashion.

St Marys has had no choice but to seek relief in a variety of legal proceedings against Ontario and federally against the government of Canada by way of a NAFTA arbitration claim. Our allegations are set forward in our notice of arbitration under NAFTA and elsewhere. We can provide copies of these documents to any interested parties.

Briefly, our allegations are as follows: Following the issuance of the ministerial zoning order, St Marys obtained a number of government documents pursuant to freedom-of-information requests. Although the documents are heavily redacted, we learned some surprising things; namely, that as the application had been making its way through the regulatory process, behind the McQuinty Liberal government's closed doors a political passion play was apparently under way.

Based on our exhaustive research, we learned that prominent political insiders in the governing Ontario Liberal Party were leaders of the group Friends of Rural Communities and the Environment, or FORCE, which was established with the sole purpose of opposing the quarry. Indeed, St Marys is alleging that these insiders used their force to convince ministers of the governing Ontario Liberal Party and the Premier's and ministers' staff members to use unprecedented unilateral ministerial powers targeting only lands owned by St Marys and interfering with St Marys' vested property rights.

In our notice of arbitration under NAFTA on this issue, St Marys alleges that the McQuinty Liberal government facilitated funding and legal assistance to FORCE through the greenbelt foundation and that the very Liberal insiders behind FORCE have quite publicly admitted to personal financial interests in stopping the St Marys quarry.

St Marys alleges that Minister Bradley responded to this hidden influence by first declaring a ministerial zoning order killing the quarry. Later, the McQuinty cabinet declared the lands a matter of provincial interest, thereby depriving St Marys of any right to have an independent decision-maker rule on its appeal of the ministerial zoning order—

**The Chair (Mr. David Orazietti):** Mr. Moroz, sorry to interrupt you. That's 10 minutes for your presentation. If you want some very brief concluding remarks—30 seconds to wrap up your presentation. We can get to questions and you can add more to it in a minute.

**Mr. John Moroz:** Absolutely. I close with four straightforward recommendations for the committee's consideration:

(1) The termination of political influence of any kind on deciding the merits of an application under the act;

(2) An increase to the aggregate levy, conditional on the funds being directed to a special-purpose account to fund the administration of the act and regulations;

(3) Changes that would improve the consultation process with all stakeholders; and

(4) An act that would allow flexibility for straightforward applications that do not attract the same level of interest that Flamborough has.

**The Chair (Mr. David Orazietti):** Thank you. We appreciate the presentation. The NDP caucus is up first. Ms. Campbell, go ahead.

**Ms. Sarah Campbell:** Thank you for your presentation. You said that you would support an increase in the levy, which is currently at about 11.5 cents per tonne. What kind of an increase do you think would be reasonable?

**Mr. John Moroz:** I don't know that I'm in a position to put a number on it. I think that through a consultation process with municipalities, perhaps there's a certain portion of the levy that goes to TOARC, which is a fund that manages abandoned quarries and that type of thing. So I think you need to gather information from all the different sources and poll the field—but we certainly think that if it's properly directed, and by saying that, I mean that for the municipal piece, we'd like to see it contribute to municipal projects that are aggregate-related.

So I wouldn't give a specific number, but I would encourage consulting all the groups that are involved to come up with a number.

**Ms. Sarah Campbell:** Okay.

**The Chair (Mr. David Orazietti):** Thank you. We appreciate it. Folks, we have five minutes combined, so we need to move on. It's time.

*Interjection.*

**The Chair (Mr. David Orazietti):** Liberal caucus, we need to move on.

**Mr. Rosario Marchese:** We only have one question.

**The Chair (Mr. David Orazietti):** That's it. That's all we have time for. This is shorter than the last presentation.

**Mr. Mike Colle:** The question I have is that if you look—I was going to ask this of Ms. Miller. Maybe you could help me on this. Is the price of these huge stone mansions we see popping up all over the place—you know, \$1 million, \$2 million, \$3 million, \$4 million, \$5 million. We see condos that are selling, 500 square feet for \$500,000. It seems that the price of these buildings is going sky-high.

What percentage of increase has occurred in the price of the raw materials and what part does that make of the



increased cost of these stone mansions and these condos in the sky? Has the price of aggregates helped to drive the prices up, or at what level has the price of aggregates gone up to coincide with the increasing price of housing?  
1650

**Mr. John Moroz:** I don't know. I can't derive dollars-and-cents numbers, that this amount of dollars of aggregate is in a house or a condominium. But the rapidly increasing prices in the aggregate business in order to supply the high-quality materials—when you build an 80-storey or 60-storey building, it requires a very high-quality material that goes into that. A bridge, for instance—we can't have bridges falling down. So the very high-end materials that go into those buildings are increasing very rapidly.

**The Chair (Mr. David Oraziotti):** Thank you. Ms. Jones, go ahead.

**Ms. Sylvia Jones:** I'd actually like to get back to your presentation. Clearly, the way the Aggregate Resources Act is set up now, it is supposed to be separate and apart from political interference. You are suggesting in your presentation that with the Flamborough quarry, by the Ministry of Municipal Affairs and Housing putting forward a ministerial zoning order, the ARA was essentially trumped. Is that what I'm hearing?

**Mr. John Moroz:** Yes. Our rights to go through the process were broken. There's a good process that is open to everybody: the players, the producers. We know when we're getting into that process what we need to go through. We can quickly assess which properties don't work and which do. There's a whole series of overlaying constraints that you need to go through in order to get there. We went through that with Flamborough. I believe that others evaluated the likelihood on the political and the scientific merit of our application. I believe they understood that it was going to pass, and it was nixed through the MZO and the declaration of provincial interest. Absolutely.

**Ms. Sylvia Jones:** Thank you. I understand that we don't have time to hear the entire presentation, but if you were able to provide the committee with any additional background information, that would be helpful. Specifically, I'm wondering if you have a number for how much funding came via the greenbelt foundation.

**Mr. John Moroz:** We can back into that. I'll go away, and if I can get the details, we'll put them forward.

**Ms. Sylvia Jones:** Any additional information you could provide the committee related to it would be helpful.

**The Chair (Mr. David Oraziotti):** Thank you. That's time for your presentation. We appreciate you coming in today.

**Mr. John Moroz:** Thank you.

#### HOLCIM CANADA

**The Chair (Mr. David Oraziotti):** Okay, folks, our next presentation is the Ontario Professional Planners Institute.

*Interjection.*

**The Chair (Mr. David Oraziotti):** Sorry, Holcim Canada. I apologize.

Good afternoon, sir. Welcome to the Standing Committee on General Government.

**Mr. Bill Galloway:** Good afternoon, and thank you very much. For a moment, I thought I was getting a raise, being a professional engineer.

I'm Bill Galloway. I'm senior vice-president with Holcim Canada. We trade in cement under Holcim and, in Ontario, in ready-mix construction and aggregate as Dufferin.

Like St. Marys, we've been around for 100 years and are celebrating our Dufferin centennial this year and our Holcim centennial worldwide.

**The Chair (Mr. David Oraziotti):** Just before you get into your presentation, you're just aware—I know you were here, but you've got 10 minutes, and then questions from members. Go ahead and continue. Thanks.

**Mr. Bill Galloway:** Thank you, Mr. Chairman.

So as Holcim, we're one of your largest road builders, as I said, in both construction aggregate and concrete. We're involved with the 410/401 project at the moment, Sir Adam Beck, and also we are building the Calgary airport by exporting Ontario technology to western Canada.

The fundamental of our company is that we believe in a balanced approach, the triple bottom line. We work at it every day; we work this balance every day between planet, profit and people. We're very much committed to sustainable construction development in the province.

I'm sure my colleagues, and particularly Ms. Miller from the OSSGA, have told you of the importance of aggregates, and I assume, given that we're all here today, we all agree about the overall importance of aggregates in the province.

Certainly we've got conflicting resources, and although we're scarce in overall aggregates, when you look at the type of structures that we're building in downtown Toronto today—there are 170 different condos being built today. The really scarce materials to build those get scarcer and scarcer every day.

Our collective challenge is to figure out how we get a balance between making sure that the aggregates are close to market and are available for the Places to Grow strategy, and we have to make sure that we protect the overall key ecological and social resources that we have in the province.

When you look at page 5, our position is that the basic principles of the ARA legislation remain appropriate; however, there are three interrelated challenges combined that make the legislation less effective. Our task is presenting to you and your task is to look at the review of the ARA. Again, I think it's more of an implementation issue as opposed to saying that the actual ARA legislation is broken. It's a lot like when you're sitting at a concert and you're listening to bad violin music. You end up thinking that maybe the problem is the violin; the problem may be the music; it could be that the violinist is actually the problem, or a combination of all three. I



think that's where we are in terms of the ARA. I think there's an interrelationship going on between policy, inconsistent rules and application, and inadequate resources.

All too often, what happens is, you have a good base of legislation in the ARA, and as we continue to make this province better and we continue to look at other ways to protect our social fabric and our environmental footprint, we end up layering on other legislation, but at the time we don't take the necessary time to figure out how we go about harmonizing that legislation. What that really means is that those that are trying to implement those things on behalf of the people of Ontario—we have difficulty providing the right level of direction and overall implementation. So you've got competing policies, and it leads to an inconsistent and an uncertain interpretation of what we intend under the Aggregate Resources Act.

You've heard today, and I'm sure you've heard it from various sources, that we have resource issues. It's one thing to have resource issues when you have a very efficient process, but when you have resource issues and you have an inefficient process and inefficient implementation, it becomes much more difficult to achieve what you're actually trying to achieve in the management of the aggregate resources of the province.

I'd like to talk just briefly about policy, which starts on page 6. In the Drummond report, he talks specifically about employing a risk-based approach for environmental approvals that focuses on improving outcomes and on prevention. One of the things that we believe you can do is that we can go back to the certainty that was contained in the PPS and make sure that we affirm the role of balancing the PPS and we embrace net gain in the principle of balancing, which is basically environmental net gain. I think you have to clarify the relationship between aggregate resources and other environmental values such as species at risk. Third—I heard one of the committee members asking about it earlier—we have to include in the PPS the full and complete use of recycled aggregates.

With regard to implementation, Drummond talks about rationalizing roles and responsibilities for environmental protection that are currently shared across levels of government. Our recommendation would be that we would reaffirm responsibility leads, establish timelines and protocols for defining issues and potential resolution, and reduce the number of approval authorities. Our goal should be to be looking at something the federal government is doing: an environmental assessment that takes one to two years versus the nine-year process that you need to get an aggregate licence in this province.

The third would be in the area of resources. Drummond feels that we should be reviewing opportunities to further streamline the environmental process, such as coordinating further with the federal government's process or integrating with certain approvals. Certainly, Ontario can do their own job and they can do their own job very well, so whether you want to integrate or not, I think we

can manage this on our own home turf. But we should make sure that we employ rigorous case management for applications and adhere to timelines for technical reviews and decision-making. We should use methods to change how we approach regulation of aggregates. Government certainly can do better, but I also believe there's an opportunity for industry to contribute.

1700

On the last page, and I'll close with this, to us this is not just a government problem; this is something that the industry should also embark on, trying to make the process more effective. There are a lot of good things going on in our industry, particularly with certification processes with the association, with the aggregate reform, and we also have another certification process called SERA. These certification processes would be a market-based solution that works hand in hand with government legislation to make the process more effective, not only for the industry and the people of Ontario, but also to make sure that we cover off the right environmental footprint and also with the social impact of any quarry in our communities. Just from an Ipsos Reid poll, we did a survey, and it fundamentally said—on the bottom of page 9—that 85% of Ontarians felt that they would be more supportive of an operation in their municipality if there was a voluntary certification process in place.

I'd ask you to consider our comments, and we'd be delighted to meet with you and provide any other information at a time of your convenience.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. The Liberal caucus is first up for questions. Mr. Colle, go ahead.

**Mr. Mike Colle:** Thank you, Mr. Galloway, for the suggestions. I guess the only thing I take umbrage with is that you're saying we should now follow the new federal approach in terms of environmental processes?

**Mr. Bill Galloway:** I'm suggesting that it would be appropriate for the government to consider a one- to two-year process to file and process an aggregate application versus the length of time that it takes us with our current process. One to two years is a suggestion, and it's certainly a long way from nine years, but nine years is a long way from a process that would strike you as efficient and serving the interests of all the various stakeholders when you go through an aggregate application.

**Mr. Mike Colle:** I just know there's a hue and cry out there by many people about the stripping down of environmental protections with the new omnibus bill in the federal House and the issue of having time for the public to be involved in the process. Many of our constituents feel there's never enough time to have input in government processes, so by us trying to truncate some of them—and I'm not disagreeing with you about the nine years. That seems to be quite out of place in terms of the time, but I'm just saying, in terms of what the public mood out there is, they're saying, "We want more input." They want these hearings to go on across many months. They want the review to take place in many centres. If we start to say we're going to go the



federal route, we're almost going against what the public mood seems to be out there and the public demand for having a role.

**Mr. Bill Galloway:** I believe there are two separate issues. We certainly, and I'm sure all of my colleagues that are here as part of the association, speaking individually, we're not in favour of reducing the environmental process in terms of the level of scrutiny that is required for an aggregate application. I think you can do it in a shorter period of time, and I think you can have some realistic timelines. We also believe—

**The Chair (Mr. David Oraziotti):** Sorry, I'm going to have to stop you there. We need to move to the other caucus members for questions. Ms. Jones or Mr. Yurek, go ahead.

**Mr. Jeff Yurek:** Thank you very much for the presentation. I find it's great that you've read Drummond and see how important it is to getting our economy back on track.

I'd really like to look at partnerships out there. I'm just wondering who you're working with with SERA?

**Mr. Bill Galloway:** Initially we started off with Holcim and Environmental Defence. We worked with Environmental Defence for roughly two years prior to June 1, 2011. Prior to meeting Environmental Defence, we fundamentally hated each other, but we didn't know each other. We worked and came up with a standard, launched it, and right now we're operating with a group of—we have a municipal caucus, we have an industry caucus, and we have an ENGO caucus that's part of it, and we're currently working, hopefully, with the association and the rest of industry to have a merger between the AFO and SERA.

**Mr. Jeff Yurek:** Thank you.

**The Chair (Mr. David Oraziotti):** NDP caucus? Mr. Marchese.

**Mr. Rosario Marchese:** Mr. Galloway—is that your name?

**Mr. Bill Galloway:** Galloway.

**Mr. Rosario Marchese:** The industry basically is self-regulated.

**Mr. Bill Galloway:** That's correct.

**Mr. Rosario Marchese:** I'm not a big fan. I'm a big believer that if you have a watchdog—I'm a big supporter of the Ombudsman's oversight over many things, and he would like more oversight over many other things, because I think that when you have oversight, people tend to be a little more honest with what they are doing. I understand that many probably are, but without a watchdog and without strong regulation in that sector, I think it can be abused. Do you agree?

**Mr. Bill Galloway:** We firmly support the self-regulation. We would probably take it a little bit further in the sense that—we like the process; we would like to see something similar to what Mr. Moroz talked about. His plant is ISO-certified; our plant is ISO-certified. We end up having independent auditors come in, look at our processes, see what we're doing right, see what we're doing wrong, any gaps, so we in effect are self-compliant, but

we use a third party auditor to make sure that we're actually doing what we say we're doing.

**Mr. Rosario Marchese:** Ms. Miller was saying that we should have more enforcement. What do you think of that?

**Mr. Bill Galloway:** I think the issue comes from—over the last few years, there have been some comments in terms of the capability, the number of aggregate resource officers that we have in the field to be able to cover all of the applications and all of the licences that we have, moving forward. I think there is a resource issue, but I would rather correct the process first, before I start adding more dollars to the government in process.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation today. We appreciate you coming in.

**Mr. Bill Galloway:** Thank you.

#### MR. DAVID WHITE

**The Chair (Mr. David Oraziotti):** Our next presentation: David White. Good afternoon, sir. Welcome to the Standing Committee on General Government.

**Mr. David White:** Thank you. Good afternoon.

**The Chair (Mr. David Oraziotti):** As you've heard, you've got 10 minutes for your presentation, and the time you don't use will be divided among members for questions. Members also have five minutes combined to ask you some questions at the end of your presentation. You can start by stating your name and proceed when you're ready.

**Mr. David White:** My name is David White, Mr. Chairman and members of the committee. I'm a lawyer, and I practise out of Barrie. My practice concentrates in the area of natural resources.

Over the last 10 years, I have probably been involved in the application and hearing process for somewhere between 20 and 30 applications. I'm here as a frustrated person. The system isn't working. It's not working for the public, and it's not working for the industry.

When I saw the terms of reference for your committee, sir, I thought it was important that I come and speak my mind, because the problem is not with the Aggregate Resources Act in isolation. There's a multitude of legislation that impacts this industry and is involved in the approval process of a licence and involved in the hearing process. If we don't take a look at the whole package, you're not going to accomplish anything because, in my view, the act—I think I agree with Ms. Miller on this—actually is working reasonably well. It requires some updating; it requires some massage. Provincial standards do require some review and updating, but generally, I think the act is performing reasonably well.

The problem is, it's not coordinated and integrated with all of the legislation dealing with water resources, environmental resources, highways, land use planning and the multitude of other pieces of legislation that impact an application, impact the hearing process that most of these applications end up going through. The hearing



process is extremely frustrating for the public, extremely frustrating for the industry. It's extremely expensive, it's extremely lengthy, and we don't always get the best results.

1710

So I think what I'm urging you, sir, is to take your message back to the Legislature that you can't look at the Aggregate Resources Act in isolation. You have to look at the environmental legislation—the Environmental Protection Act, now the Environmental Assessment Act in view of the mega quarry being deemed subject to a full environmental assessment. You have to look at the Ontario Water Resources Act—the separate appeal process that's under the Ontario Water Resources Act that still, believe it or not, has an appeal to the minister, and there's absolutely no room for a political appeal in this process. So these multiple processes, multiple applications can lead to multiple hearings. The Aggregate Resources Act is not a scheduled act in the Consolidated Hearings Act, so you don't get automatic consolidation with the other legislation you have to go through. It can be a two-year process just to get your hearings consolidated.

In a nutshell, that is my message to this committee: You can't look at the act in isolation. You're just not going to solve or even identify the problem.

**The Chair (Mr. David Oraziotti):** Okay. Thank you very much for your very poignant comments. We'll turn it over to Ms. Jones right now.

**Ms. Sylvia Jones:** Thank you, Mr. White. I had one question. You mentioned that you've been working in the industry with applications for a number of years, specializing in them.

**Mr. David White:** Probably 20 years.

**Ms. Sylvia Jones:** I don't know if I didn't hear it or I missed it—for proponents or opponents?

**Mr. David White:** I act for proponents. I've acted for national companies, regional companies, private companies—

**Ms. Sylvia Jones:** So you've worked with the ARA on both sides?

**Mr. David White:** No, I have not worked on the other side. I've not opposed an aggregate operation. I act for the proponent, the industry.

**Ms. Sylvia Jones:** Okay. You mentioned that in the act, there is no room for a political appeal. Do you believe there should be?

**Mr. David White:** No, in the Ontario Water Resources Act, there is a political appeal to the minister.

**Ms. Sylvia Jones:** Oh, I'm sorry.

**Mr. David White:** The problem that you have is that, now, you go through—the Ministry of the Environment will not deal with your permit-to-take application until you've established your licence. So once you finish your licence process, you start your permit-to-take application. It's a separate application, a separate public hearing, separate appeals, with an appeal to the minister at the end of the day.

**Ms. Sylvia Jones:** I understand. Okay. Thank you.

**The Chair (Mr. David Oraziotti):** Ms. Scott.

**Ms. Laurie Scott:** Thank you for coming here and appearing today. As you've said, you've worked for a long time. I guess maybe the best thing I can say is, how would you like to see—the hearings can go on, the process. I mean, I've heard of people spending millions of dollars. The government also spends millions of dollars sometimes on this too, right? They hire lawyers, they work for the MNR. It costs all of us as taxpayers a lot of money for a long, detailed, bureaucratic process that overlaps many ministries.

I didn't know if you had some type of more specific suggestion of what you'd like to see done with the inter-ministries, and maybe an example that you could give us just to kind of explain the frustration level that you certainly are at for this process.

**Mr. David White:** I think I can give you a couple of examples. One is that the Aggregate Resources Act has a very defined consultation notification process under the provincial standards, and this can take up to two years. Then you go through that process and you narrow down your objectors. Let's say you start with two dozen objectors and you, through that process, narrow it down to half a dozen objectors. Then, once you go before the Ontario Municipal Board, you're operating under their rules, and they open the door again. So I can then be faced with not only the two dozen objectors I started with, but another two dozen on top of that, even though I've gone through a two-year mandatory consultation notification process.

I've had a situation where I'm nine years into an application, I'm two months into a hearing, and a new endangered species comes down the pipe without any consultation from COSSARO. They didn't consult with the Ministry of Natural Resources, the Ontario Federation of Agriculture or the industry and they dropped the bobolink on us. There, I have an applicant with several million dollars, nine years of work, and he gets ambushed by this without any transition provisions or notification. It's a fact that the legislation isn't coordinated.

**The Chair (Mr. David Oraziotti):** Okay. Thank you for that response. NDP caucus, you're up. Ms. Campbell, go ahead.

**Ms. Sarah Campbell:** I understand that there's a lot of frustration with the process and you'd like to see a more streamlined process, maybe one that's a little more truncated and not so elaborate. But do you see any problems, having worked in the industry, with oversight within the MNR?

**Mr. David White:** No, I don't. I think the MNR was stretched a few years ago. I think they've made great strides in the last number of years, especially in the last year, addressing that. I think the James Dick decision got some attention at the ministry, and they've improved their resources and training and their risk management approach.

My frustration is that I ask people to give me an example of an aggregate resource operation that is causing significant negative environmental harm or impact. I've



asked that question to 50 people over two years, and I've never received an answer. I think the problem is that the public just doesn't want aggregate resources in their neighbourhood. It's a problem that we have something everybody needs but nobody wants. It's a fundamental conflict of land use planning. How you solve that fundamental conflict is—

**Mr. Rosario Marchese:** That is the question, isn't it? How do you solve it?

**Mr. David White:** That is the absolute question.

**Mr. Rosario Marchese:** I understand that the industry wants predictability; I understand that. They would like a process that's much more limited or shorter, and that all these various acts somehow come together in some streamlined fashion. But even if we did that, you would still face the same problem.

**Mr. David White:** Well, I was talking to a labour relations lawyer one time, and he was saying, "Why do these hearings go on so long? In labour relations, we resolve it in one night's meeting." And I said, "Yeah, but there, you're not trying to shut down the factory; you're just dividing the pie. In my case, they want to shut my client down. They don't want him in the neighbourhood."

**Mr. Rosario Marchese:** But you see the problem: Even if we could get all these approval processes in place, because you've got to go through all these various acts, and let's just say we can do that, even in a year, we're still going to have the same political problem. If communities disagree, we have to deal with that. So in the end, the person you're working for may not be able to get the approval process.

**Mr. David White:** Except that I think we all recognize we need some level of approvals to go through the system, because we need the resource. Nobody wants airports, nobody wants garbage dumps and nobody wants gravel pits or quarries. It's a fundamental fact of life.

**The Chair (Mr. David Oraziotti):** Okay, I've got to stop you there. We need to move on. Thank you.

Mr. Colle, go ahead.

**Mr. Mike Colle:** Thank you, Mr. White, for your very candid insights. I think they're very valuable, really, given your experience.

I think it really is a good message for this committee that, basically, we're not going to be able to ameliorate the situation by just looking at the Aggregate Resources Act. It's going to take more than that. And it's not going to be a magic bullet of making some adjustments in the act and hiring a few more people at MNR. We're going to have to find, in a strategic way, as you said, ways of linking the reality of this act with the others: the species at risk act that we now have before us, the Environmental Protection Act, the water resources protection act, the Oak Ridges moraine act, the Greenbelt Act and on and on. So I guess your message is very clear. I think it's very, very appropriate that you give us that overview.

I guess the question I have for you is, is the real problem here that the public has no sort of insight into the reality of where the resources come from? In other words, everybody wants to have paved roads, everybody

wants their condo in their sky, everybody wants their stone mansion, but they don't want to know where it comes from. Whose job is it to try to link that reality with the public, and how can we do that to maybe get a more realistic approach to this whole issue?

**Mr. David White:** I would suggest you take a look at the OSSGA website and some of the material they've produced, because they certainly recognize exactly that issue: it's an issue of educating the public that this is something we need, it's part of our society, and we're going to have to learn how to live with it and make the best of it, because no one is going to want one of these next door to their house. It's an accepted fact, I think, for you or for me, but education is important. I think the government has some responsibility. I think the industry is undertaking an education program: Both individual operators and certainly Ms. Miller's OSSGA is definitely making a real effort producing material, educating the public and educating our children on the industry.

**Mr. Mike Colle:** So one of the recommendations you would make to this committee is that we find a way of making that happen?

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**Mr. David White:** Absolutely.

**Mr. Mike Colle:** Despite all the changes in the act etc., it might be very fruitful to go down this road also.

**Mr. David White:** Public awareness is very important.

**Mr. Mike Colle:** Thank you very much. I appreciate it.

**The Chair (Mr. David Oraziotti):** Thank you very much, Mr. White. Thank you for your presentation.

**Mr. David White:** Thank you all.

**The Chair (Mr. David Oraziotti):** Good afternoon, folks. That's it for presentations this afternoon.

## SUBCOMMITTEE REPORTS

**The Chair (Mr. David Oraziotti):** We've got a couple of items of committee business and subcommittee reports that are before you.

If members of the public want to stay, they're welcome to stay; otherwise, that's it for presentations today.

Ms. Jones, go ahead.

**Ms. Sylvia Jones:** Could I ask a question before we get into actually discussing the specifics of committee reports?

**The Chair (Mr. David Oraziotti):** Sure; no problem.

**Ms. Sylvia Jones:** Would the clerk be able to provide the committee with a quantitative number as to how many individuals have requested—

**The Chair (Mr. David Oraziotti):** We're going to get into that, yeah.

**Ms. Sylvia Jones:** So is that going to be part of the subcommittee?

**The Chair (Mr. David Oraziotti):** We're going to talk about that in a few minutes.

**Ms. Sylvia Jones:** Okay. Perfect. Thank you.



**The Chair (Mr. David Oraziotti):** The first order of business that we've got here—I think we should deal with the item that Mr. Marchese put before us with respect to the auto insurance review and the dates and times that were agreed upon through subcommittee. We're going to deal with these—

*Interjection.*

**The Chair (Mr. David Oraziotti):** Yeah. My understanding is, Ms. Campbell is going to read these into the record. Ms. Scott has hers and Mr. Marchese has his. We're going to deal with this because I understand there's an amendment coming to what you've put forward. So let's deal with this. We'll deal with them one at a time. Ms. Campbell, do you want to read this into the record?

**Mr. Rosario Marchese:** Mr. Chair, there are copies of this, right, for the other members?

**The Chair (Mr. David Oraziotti):** Everyone has a copy. Everyone should have a copy of this, yeah.

Go ahead, Ms. Campbell.

**Ms. Sarah Campbell:** Your subcommittee on committee business met on Monday, May 7, 2012, to consider the method of proceeding on the motion moved by Mr. Marchese pursuant to standing order 111(a) with respect to a review of the auto insurance industry, and recommends the following:

(1) That the committee meet for the purpose of holding public hearings on Monday, May 28, 2012, and Wednesday, May 30, 2012, in Toronto.

(2) That the committee clerk post information regarding public hearings in the Toronto Star and the Ontario edition of the Globe and Mail and Le Droit for one day during the week of May 14, 2012.

(3) That the committee clerk post information regarding public hearings on the Ontario parliamentary channel, the Legislative Assembly website and Canada NewsWire.

(4) That interested parties who wish to be considered to make an oral presentation contact the committee clerk by 12 noon on Wednesday, May 23, 2012.

(5) That an invitation be sent to the minister responsible for auto insurance, the Honourable Dwight Duncan, to speak at committee.

(6) That the length of presentations for witnesses be 10 minutes and up to five minutes for questions on a rotational basis.

(7) That, in the event all witnesses cannot be scheduled, the committee clerk provide the members of the subcommittee with a list of requests to appear.

(8) That the members of the subcommittee prioritize and return the list of requests to appear by 12 noon on Thursday, May 24, 2012, and that the committee clerk schedule witnesses based on those prioritized lists.

(9) That the research officer provide the committee with background material by May 28, 2012.

(10) That the research officer provide the committee with a summary of presentations.

(11) That further public hearing dates be scheduled at a later date outside of Toronto, pending authority from the House.

(12) That the deadline for written submissions is to be determined at a later date.

(13) That the committee clerk, in consultation with the Chair, be authorized, prior to the adoption of the report of the subcommittee, to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

I move that the subcommittee report be adopted.

**The Chair (Mr. David Oraziotti):** Okay. Any comments with respect to—

**Mr. Mike Colle:** I have just one comment. I know that this is a perennial issue in terms of notifying. I know we put notifications in the Globe and Mail and the usual. There are a lot of issues with auto insurance that affect people who don't have English as a first language. I think we have to find a way—and I don't know the perfect way of doing it—of reaching those communities so they can participate in the hearings too.

I'm not saying that we have the answer right now, but I hope the committee looks at that as a way of including in the process those newcomers who have many issues with auto insurance. I just want the committee to consider that, rather than looking for a specific amendment right now.

**Mr. Rosario Marchese:** It's a good point.

**The Chair (Mr. David Oraziotti):** Mr. Yurek, go ahead.

**Mr. Jeff Yurek:** Thank you, Chair. I'd like to propose two amendments to this list. On number five about inviting Minister Dwight Duncan to speak: I think his knowledge would be pretty limited on auto insurance, and I'd request we sub that in to FSCO superintendent Philip Howell.

My second amendment would be that Philip Howell, superintendent, release his report on catastrophic injury before we meet so that we can have a good discussion on it when he shows up, so, I'd say, by May 24.

**The Chair (Mr. David Oraziotti):** Okay. Further comment on that? Mr. Marchese.

**Mr. Rosario Marchese:** I'm prepared to accept that as a suggestion. With respect to the second amendment, do we need to have it in the minutes in order to be able to ask him to bring that report, or can we just ask for it through you?

**The Chair (Mr. David Oraziotti):** I think we can make the request in here if we put it in as a condition on the subcommittee report that we're not going to meet on this until he releases the report. We can't make him release the report. If he doesn't release the report, then you're saying, "We're not going to meet on that until that's released, so we're not going to have this discussion if that report's not out," if you want to put that in as a condition.

**Mr. Rosario Marchese:** Mr. Chair, the report is ready, as far as we know. He has it, as far as we know. So if it is available, it's a matter of sending it. So there should be no complication.

**The Chair (Mr. David Oraziotti):** Okay. I'm prepared to accept that. If the committee wants this amendment—



**Mr. Rosario Marchese:** I will accept those two amendments to the report, Mr. Chair.

**The Chair (Mr. David Oraziotti):** Okay. Further comment?

**Mr. Mike Colle:** I don't have any problem. I just want to make sure that there's a presentation made by the task force on automobile insurance fraud—that we ask the authors of that report to come forward and make a presentation before the committee.

**The Chair (Mr. David Oraziotti):** So you're proposing that an additional item be added to this subcommittee report.

**Mr. Mike Colle:** Yeah, because if we're asking Phil Howell and we're asking the minister, we should also ask the authors of the auto insurance fraud report to make a presentation to the—

**The Chair (Mr. David Oraziotti):** Okay. What Mr. Yurek had suggested is substituting the minister—

**Mr. Rosario Marchese:** Substituting the minister for the superintendent—

**Mr. Mike Colle:** And I'm saying, I just want to make sure they come forward and make a presentation too.

**Mr. Rosario Marchese:** Would the superintendent have access to this—

**Mr. Mike Colle:** He was involved, but I'm saying, we need the authors of the report to come forward.

**Mr. Rosario Marchese:** Okay; not a problem. We could include that too, unless, Jeff, you have any suggestion on that regard.

**Mr. Jeff Yurek:** I'd just like to add in: The fraud task force report isn't going to be finished till September, so they might not have a full report for you.

**Mr. Mike Colle:** But the interim, I think, would be very helpful.

**Mr. Jeff Yurek:** The interim? Sure. I have no problem with the interim being discussed.

**Mr. Rosario Marchese:** Let's include that, then.

**The Chair (Mr. David Oraziotti):** That's a separate item. We're going to request that they come and make a presentation as one of the requested delegations for the hearings.

So we have an agreement on substituting the minister for Philip Howell?

**Mr. Mike Colle:** Yeah.

**Mr. Rosario Marchese:** Yes.

**The Chair (Mr. David Oraziotti):** And the request that the report be released or provided at the time?

**Mr. Rosario Marchese:** Yes.

**Ms. Sarah Campbell:** Mr. Chair, can you provide some clarification on the wording of that? My understanding of what you just said previously is that we would be unwilling to meet unless we had a copy of the report. I think that was an opinion but not—

**The Chair (Mr. David Oraziotti):** Okay. So if, for whatever reason, the report isn't released prior to that, you still want to continue with these days?

**Mr. Rosario Marchese:** Of course.

**Ms. Sarah Campbell:** Yes.

**The Chair (Mr. David Oraziotti):** You're prepared to do that.

**Interjection:** If he can.

**The Chair (Mr. David Oraziotti):** If he can, we'll make the request.

**Mr. Rosario Marchese:** That's right. That's quite clear. We're asking for the report. He will appear and we're also asking him to bring the report before or at the time of the meeting. Either way, he will be appearing—

**The Chair (Mr. David Oraziotti):** Mr. Yurek had made a comment about perhaps not meeting until the report was released.

**Mr. Jeff Yurek:** No, no. I'd like the report prior to our meeting with him so we have time to digest it so it would be appropriate for discussion.

**The Clerk pro tem (Ms. Tamara Pomanski):** If available.

**The Chair (Mr. David Oraziotti):** All right. Any further comment?

So to clarify, we're going to substitute the minister; request that the minister present for Philip Howell, superintendent of FSCO; make the request that the report be provided in advance to the committee, if it's available, and also make the request that the fraud task force be requested to come and make a presentation before committee as one of the deputations.

All those in favour of the subcommittee report, as amended? Opposed? Carried.

Thank you. Subcommittee report, as amended, carried.  
1730

Okay, let's get on to the next motion.

**Interjection.**

**The Chair (Mr. David Oraziotti):** We're going to get to that in the context of this motion. Ms. Scott has brought forward a request here. Do you want to read this into the record, Ms. Scott? Go ahead.

**Ms. Laurie Scott:** Your subcommittee on committee business met on Monday, May 7, 2012, to further consider the method of proceeding on its review of the Aggregate Resources Act (ARA) and recommends the following:

(1) That the standing committee seek the authorization from each of the House leaders of the recognized parties in the House to permit that the committee be able to sit so as to hold public hearings and investigations after the House rises during the month of June, and that it be able to sit as many days as the committee deems necessary to hear from the public and concerned stakeholders; and,

(2) That the Standing Committee on General Government travel from place to place in Ontario for the purposes of holding public hearings and that such locations in Ontario include, but not limited to: Windsor, London, region of Waterloo, Brampton, Barrie, region of Durham, Peterborough, Ottawa, Sudbury, Sault Ste. Marie, Dryden and Manitoulin Island; and that other locations be agreed upon by the subcommittee as necessary, with particular consideration being given for the regions of the province of Ontario whereby the communities are impacted by the act.



(3) That, during the aforementioned hearings, that the committee, in addition to holding public hearings, also be able to undertake to visit and tour various aggregate resource facilities, processing centres and/or quarries that are: in current operation; and/or are proposed to be in operation; and/or are no longer in operation; and/or facilities that have been “rehabilitated.”

**The Chair (Mr. David Oraziotti):** Thank you. The motion is on the floor. Mr. Marchese.

**Mr. Rosario Marchese:** I understand that the House leaders are working on this. I think there's general agreement that we need to travel, but no agreement has yet been reached as to how long, and that's something they're still working out. Can I recommend that we defer dealing with this report until Monday?

**The Chair (Mr. David Oraziotti):** You can certainly make that recommendation. If you're saying that the House leaders are working on it, if they're working on a request—we need to adopt the request and make the request of the House leaders for them to work on it. I mean, that's great if they're having that discussion now, but there has been no formal request made by this committee to the House leaders to do what is in this motion.

**Mr. Rosario Marchese:** Ms. Scott, we can defer it. We can send it on a different date.

**Ms. Laurie Scott:** Yes, I'll just get some clarification from the clerk, what she'd like us to do with this, then. Do you need us to adopt it in order, then, for it to be officially sent to the—

**The Clerk pro tem (Ms. Tamara Pomanski):** We need this adopted. We need the committee's full agreement in order for me or for the Chair to send letters to the House leaders asking for a request to meet. However, we could defer this until Monday. If you would agree then, then I would send the letters, as soon as it was agreed, to the House leaders—it depends on timing—within a few days.

**Mr. Rosario Marchese:** It's up to you. We could read it on the record on Monday and hopefully House leaders will have dealt with it, and then come back Wednesday.

**The Chair (Mr. David Oraziotti):** If you want to make a request, then we need to approve what the request is; otherwise, the discussion is not necessarily coming from the committee. To get to Ms. Jones's question around the number of—

**Ms. Sylvia Jones:** I have a different question now.

**The Chair (Mr. David Oraziotti):** Okay, go ahead.

**Ms. Sylvia Jones:** As I understand it, the three House leaders are discussing this. If we adopt this today, it is quite possible that the House leaders will come back with an alternative proposal, which we will then review on Monday. If that's how we have to do it, that's fine.

**The Chair (Mr. David Oraziotti):** And that's potentially—

**Ms. Sylvia Jones:** It may not stay as is.

**The Chair (Mr. David Oraziotti):** Absolutely. I think everybody understands that the request is simply a request and that the final decision will be made—

**Mr. Rosario Marchese:** If you want to send this report, the House leaders will deal with it one way or the other. So, if you want to do that, we can do that, or we can simply defer it—either way.

**Ms. Sylvia Jones:** I mean, the reality is, we all know that they are dealing with it right now—

**Mr. Rosario Marchese:** So you decide.

**Ms. Sylvia Jones:** —because we've all been dealing with it, but—

**Mr. Rosario Marchese:** What do you want to do?

**Ms. Sylvia Jones:** If the clerk is saying that she wants the formal process—

**Mr. Rosario Marchese:** Well, what do you want to do?

**The Chair (Mr. David Oraziotti):** The issue is whether or not it's going to be a matter of record that the committee made a recommendation for the House leaders to have a discussion of this. If you don't want any record that the committee made any request of House leaders on that, then we defer this.

**Ms. Sylvia Jones:** Let's get 'er done.

**The Chair (Mr. David Oraziotti):** If you want that proposed, then that's fine.

**The Clerk pro tem (Ms. Tamara Pomanski):** We could also still do it next week.

**Ms. Sylvia Jones:** Yes, which we will. Okay.

**The Chair (Mr. David Oraziotti):** And to answer your question, there have been—the running total is currently 76 requests for presentation.

**Ms. Sylvia Jones:** Seventy-six.

**Ms. Laurie Scott:** To appear before committee.

**The Chair (Mr. David Oraziotti):** To appear before committee, correct.

**Ms. Sylvia Jones:** Okay, that's great. Thank you. I did receive one additional email today, and I'm hoping that it has also gone through to the clerk, about an offer to appear in Horning's Mills.

**Mr. Rosario Marchese:** Should it go to the clerk? It should be sent to the clerk.

**The Clerk pro tem (Ms. Tamara Pomanski):** Yes, to our office.

**Ms. Sylvia Jones:** Okay, so if you could confirm that with me—

**The Clerk pro tem (Ms. Tamara Pomanski):** Sorry?

**Ms. Sylvia Jones:** That a request, or an offer, has been made to have the committee appear in the Honeywood Arena, Horning's Mills.

**Mr. Rosario Marchese:** Sylvia, can you just give the clerk's number so that the person can call her and get on the list?

**Ms. Sylvia Jones:** Yeah, I believe it has gone in. Really, I'm looking for clarification that it has gone in.

**The Clerk pro tem (Ms. Tamara Pomanski):** Okay. I'll look out for it.

**The Chair (Mr. David Oraziotti):** Further discussion on this? Mr. Colle.

**Mr. Mike Colle:** Mr. Chairman, just a point of clarification: I hope that this motion doesn't preclude this committee from meeting and travelling beyond June, July,



August and into October, November, December, if we so choose.

**Mr. Rosario Marchese:** That would be set by the House leaders.

**Mr. Mike Colle:** But I just wondered, because there's just a reference to June here. So just in the indication to the House leaders that—

**Ms. Sylvia Jones:** The House rises in June. That's the reference.

**The Chair (Mr. David Orazietti):** It says “during the month of June,” so it does specifically say in the month of June, but again, I think it's a request. It would be discussed at House leaders' meetings and they can do what they—they can come back—

**Ms. Sylvia Jones:** Do you want to do the amendment, Mike?

**Mr. Mike Colle:** Yeah. I'm saying there's nothing to limit it to June. We should make that clear to the House leaders and say, “Just don't meet in June,” and if we may choose to ask for meetings beyond June—

**Ms. Sylvia Jones:** So could we say after the House rises?

**Mr. John O'Toole:** When the House is not in session.

**Ms. Sylvia Jones:** After the House rises, period.

**The Chair (Mr. David Orazietti):** Yeah. We can just eliminate “the month of June.”

**Ms. Sylvia Jones:** Is that okay?

**The Chair (Mr. David Orazietti):** Yeah. All agree?

**Mr. Mike Colle:** Leave it more open-ended.

**The Chair (Mr. David Orazietti):** Do we have agreement on that, eliminating “in the month of June” and just saying “after the House rises”? We're in agreement?

**Mr. Mike Colle:** Yeah.

**The Chair (Mr. David Orazietti):** Okay, so that's being amended. Any further discussion on this? Mr. Coteau?

**Mr. Michael Coteau:** What's the actual motion right now? Is it deferral? Referral?

**The Chair (Mr. David Orazietti):** Not unless the mover or anybody else is making a motion to defer this.

**Mr. Michael Coteau:** I know that there's an amendment to make that small change, but where is it going at this point? Are we voting on it to go to the House leaders?

**The Chair (Mr. David Orazietti):** That's where it stands right now, unless there's any further discussion around what the content of this is.

Mr. O'Toole, you had your hand up.

**Mr. John O'Toole:** Thank you, Chair. I just want to put on the record—I'm not a member of the committee, so I cannot move a motion. As such, what I am saying is, I'm asking people to add a section that deals with the issue of commercial fill. I talked on it yesterday, and I have a formal—but I'll allow our lead on this committee to deal with it. It is not insignificant. It's part of the rehabilitation, section 6. I am putting that on the record as this can come back to the committee, can still be amended when it comes back to the committee, and it

would be done by unanimous content. It's not intrusive. It's about one section that isn't specifically addressed.

But if I may, with your indulgence: How it works today—and there is a meeting tomorrow where the Ministries of Natural Resources, Environment, and Municipal Affairs are all meeting in Uxbridge tomorrow—I'm not involved. It's the mayors and the conservation authorities. The fill that in the last 20 years has moved out of Durham is all going to be coming back in the form of commercial fill to rehabilitate those sites.

**The Chair (Mr. David Orazietti):** This motion, this request—I mean, unless you're proposing—

**Mr. John O'Toole:** I know, it's not directly in there.

**The Chair (Mr. David Orazietti):** It isn't, and unless you're suggesting that there be something added to this request for the House leaders, then—

*Interjection.*

**The Chair (Mr. David Orazietti):** Individuals, obviously, can make requests, and if those individuals want to come and present before committee and talk about that as an issue, then they're certainly welcome to come here, like anyone else is, to—

*Interjections.*

**The Chair (Mr. David Orazietti):** Ms. Jones, go ahead.

1740

**Ms. Sylvia Jones:** My only other question is: As I understand it today, the cut-off for delegates to appear in the committee is actually today. So how do we deal with that? Would we end up re-advertising if we are successful in getting our House leaders to extend the hearings?

**The Clerk pro tem (Ms. Tamara Pomanski):** If we're going to be travelling, we're going to have to advertise anyway, because we have to figure out what places and dates we're going to go. This was just for Toronto, so that's why the deadline was—because technically, we're only meeting on the 16th in Toronto. So we will have to re-advertise if we're going to—

**Ms. Sylvia Jones:** Could I suggest that the clerk's office not further exasperate people by saying that the cut-off is today, that, as you accept those requests to delegate, you make no reference to cut-off?

**The Chair (Mr. David Orazietti):** Unless we're having more hearings.

**Mr. Rosario Marchese:** We're having hearings here in Toronto for those four days, right? It's based on that.

**Ms. Sylvia Jones:** Yes, but there's clearly not enough time; 76 requests to appear, and we only have 24 presentation slots.

**Mr. Rosario Marchese:** Most people will not get on, and they'll have to go to some other city when we open it up.

**The Chair (Mr. David Orazietti):** Okay, one second. Mr. Coteau has got his hand up. Go ahead.

**Mr. Michael Coteau:** Thank you, Mr. Chair. I'd like to make an amendment to the subcommittee report. I believe I've given some copies to the clerk. You can just hand those out.



**The Chair (Mr. David Orazietti):** Okay, Mr. Coteau, do you want to just—I think it's fairly self-explanatory, but if you want to just comment on it.

**Mr. Michael Coteau:** Okay. Thank you very much for the opportunity, Mr. Chair.

I think that this response is in regard to the concern that we've heard from stakeholders, from different community members and even the parties opposite about the lack of time we've allocated for this quite important piece of legislation review.

Our government moved forward with initiating this review with the agreement of the two additional parties. It does have support from all three parties. We're concerned, however, that on April 16, each opposition party put forward new business. The NDP put forward a review of auto insurance and the Progressive Conservatives asked for a comprehensive review of traffic gridlock. Our concern is that these two pieces, in addition to this important review that we're focusing on, are really taking a lot of time from the committee to work on this most important issue.

We'd like to move forward with taking the two dates, the 4th and the 6th of June, which were allocated for other business, and allocate it for this review.

**The Chair (Mr. David Orazietti):** So Mr. Coteau moves a motion here.

**The Clerk pro tem (Ms. Tamara Pomanski):** He has to move it.

**The Chair (Mr. David Orazietti):** You want it for the record? Okay.

**Mr. Michael Coteau:** Yes, would you like me to read the motion? Okay. That, owing to the significance of the review—

**The Chair (Mr. David Orazietti):** Please say, "I move that...."

**Mr. Michael Coteau:** I move an amendment to the subcommittee report on the Aggregate Resources Act that, owing to the significance of the review of the Aggregate Resources Act currently before the Standing Committee on General Government and in order to accommodate the large number of individuals and organizations that have expressed an interest in appearing before the committee, the committee's schedule shall be amended to provide that public hearings on the review will take place during the committee's regular sitting hours on June 4, 2012, and June 6, 2012.

**The Chair (Mr. David Orazietti):** Further comment?

**Ms. Sylvia Jones:** Thank you. I appreciate the intent behind the motion. I think it's probably a few days premature. If we do get success and agreement from the House leaders to travel, I firmly believe that you will find that a number of those people who have requested to delegate would prefer to do it closer to the communities that they live in. So while I appreciate the intent behind the extension, I'd like to hold off until we get a yea or nay from the House leaders on whether they are going to allow us to travel.

**The Chair (Mr. David Orazietti):** Mr. Marchese?

**Mr. Rosario Marchese:** I agree with Sylvia on this. We will have had four days of hearings here in Toronto. I was happy with the idea that we would do gridlock in those two days, because that interests me as well. The idea is that we're going to travel. I think we all agree that we need to travel on this motion. We're going to get plenty of days to travel and we're going to get more hearings, and more and more people will get more opportunities. It will not be for a couple of hours; it will be from 9 o'clock till whenever we decide—5 o'clock; and that will allow plenty of people to come and depute in different parts of Ontario. So I think we'll be fine.

**The Chair (Mr. David Orazietti):** Further comment?

**Mr. Michael Coteau:** I believe that this issue is a very important issue, not only for this government but for all parties involved. We've heard from the clerk's office today that there have been 76 requests. Is that correct?

**The Chair (Mr. David Orazietti):** Yes, 76 to date.

**Mr. Rosario Marchese:** And they're probably from all over the map. Is that correct?

**Mr. Michael Coteau:** So what I'd like to suggest and I'd like to humbly ask the two parties again if they would reconsider and allow for two additional days so we can have people come in and express their concerns about this most important piece of legislation that our government is planning to review.

**The Chair (Mr. David Orazietti):** Ms. Jones, do you want to comment on that?

**Ms. Sylvia Jones:** Great idea; just a few days earlier than we need to. I have great faith in our House leaders that they will give us the ability to travel, and I would like to see that come forward first before we ask people to drive to Toronto. I think you will find that the vast majority of people who have asked to appear do not live in the GTA, and it would be an act of faith on our committee's behalf to say, "We are willing to come to your municipality, to your community."

**The Chair (Mr. David Orazietti):** Mr. Marchese.

**Mr. Rosario Marchese:** Just to the clerk: Am I correct in assuming that many of the people wanting to appear are not just from Toronto; they are from beyond? Would you know that by their telephone numbers or—

**The Clerk pro tem (Ms. Tamara Pomanski):** Honestly, my assistant was doing a lot of that, so I can't say.

**Mr. Rosario Marchese:** I'm prepared to vote on this right now, Mr. Chair.

**Mr. Michael Coteau:** Just one final point, Mr. Chair. We've put out an advertisement for four days, we've received 76 responses to come into this building and make a deputation. All I'm saying is, I'd like to ask the Progressive Conservative Party and the NDP to reconsider and allow for two additional days so we can hear from more participants who have agreed to come to Toronto. So we can call the question on this.

**Ms. Sylvia Jones:** Can I make a suggestion, a friendly suggestion, that we defer this motion until Monday?

**Mr. Michael Coteau:** No. I'd like to call the question, Mr. Chair.

**The Chair (Mr. David Oraziotti):** Okay. The question has been called. I don't know if there are any other comments anybody wants to make?

**Mr. Rosario Marchese:** Yeah, I do, because he makes his statement and then he wants to call the question. The point is this—

**The Chair (Mr. David Oraziotti):** You said to call the question too.

**Mr. Rosario Marchese:** People didn't know that we were going to travel. That's why there are 76 people who want to get on the list. It means they're coming from all over the place, Michael; that's the point. So to make it appear like—

**Mr. Michael Coteau:** We would love to travel—

**The Chair (Mr. David Oraziotti):** You know what, folks? We're not going to have the back and forth.

**Mr. Michael Coteau:** We've extended it until the end of the year.

**Mr. Rosario Marchese:** I've got the floor. To make it appear like we are not going to let people speak by giving two more—

**The Chair (Mr. David Oraziotti):** Okay—

**Mr. Rosario Marchese:** Mr. Chair, I've got the floor.

**The Chair (Mr. David Oraziotti):** I understand.

**Mr. Rosario Marchese:** To make it appear like we're not going to let people speak is silly. I am now prepared to vote.

**The Chair (Mr. David Oraziotti):** So you make your comment, then you say to vote; the member opposite does the same thing. Let's get on with it and have the vote.

All those in favour of Mr. Coteau's amendment to the subcommittee report? All those in favour of the amendment?

**Mr. Mike Colle:** Recorded vote.

#### Ayes

Colle, Coteau, Dickson.

#### Nays

Campbell, Jones, Marchese, Scott, Yurek.

**The Chair (Mr. David Oraziotti):** The motion is lost.

The subcommittee report is before us as is, with the minor amendment of eliminating "the month of June." Any further comment or amendments proposed to what is before us now on the subcommittee report?

I call the question on this. All those in favour of the subcommittee report, as amended? All those opposed? Carried. The subcommittee report is carried, as amended.

Committee is adjourned.

*The committee adjourned at 1750.*









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## Assemblée législative de l'Ontario

Première session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Monday 14 May 2012

# Journal des débats (Hansard)

Lundi 14 mai 2012

## Standing Committee on General Government

Aggregate Resources Act review

## Comité permanent des affaires gouvernementales

Examen de la Loi sur  
les ressources en agrégats



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Clerk: Sylwia Przedziecki

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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENT

Monday 14 May 2012

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Lundi 14 mai 2012

*The committee met at 1403 in room 228.*

## AGGREGATE RESOURCES ACT REVIEW

**The Chair (Mr. David Orazietti):** Good afternoon, everybody. Welcome to the Standing Committee on General Government, here to continue public hearings with regard to the Aggregate Resources Act.

## GRAVEL WATCH ONTARIO

**The Chair (Mr. David Orazietti):** We'll start with the first presenter, Gravel Watch Ontario. Good afternoon. Welcome to the standing committee.

You have 10 minutes for your presentation. Any time that you do not use will be divided among members for questions, and there will be five minutes for questions following. For our recording purposes, just state your name, and you can proceed with your presentation when you're ready.

**Mr. Tony Dowling:** Tony Dowling.

**Mr. Ric Holt:** And I'm Ric Holt.

**The Chair (Mr. David Orazietti):** Thank you.

**Mr. Tony Dowling:** Mr. Chair, committee members and guests, my name is Tony Dowling. I'm here today on behalf of Gravel Watch Ontario to present our position on a few key aspects of aggregate policy and management in Ontario.

Let me thank you for the opportunity to appear before this committee on the very important matter of the review of Ontario's Aggregate Resources Act.

Gravel Watch Ontario acts in the interests of residents and communities to protect the health, safety and quality of life of Ontarians and the natural environment in matters that relate to aggregate resources. We are a coalition of coalitions. As of 2011, we had 57 member organizations from across the province and, collectively, we advocate on behalf of tens of thousands of Ontarians whose lives have been affected in one way or another by pit and quarry operations.

All this is to say that Gravel Watch has a very good ear to the ground when it comes to the concerns of citizens throughout aggregate-producing regions of our province.

Our members are the same people who have elected you and the other MPPs to represent their interests. Indeed, aggregate is a matter of significant public inter-

est, and this should compel the committee to ensure that a transparent, inclusive and fair review of the ARA is undertaken to ensure that those interests are fully considered in a balanced manner.

At one end of the spectrum of public interest, we have the aggregate industry. Their interest primarily lies in maximizing profits, and that purpose is well served by maintaining much of the status quo. These norms do not represent a balanced approach to aggregate management, because they favour the industry at the expense of the general public. These norms include proponent-driven approval without MNR intervention or oversight; a close-to-market policy which reduces costs; self-enforcement of haulage limits; self-monitoring and reporting—essentially, filling out their own grade card; collection of their own taxes; self-management of rehabilitation; a very close partnership and lobbying connection between the government and the Ontario Stone, Sand and Gravel Association; and inadequate penalties for non-compliance.

At the other end of the spectrum, we have the general public interest: property owners, taxpayers and environmental groups whose interests lie primarily in protecting their family and health, their drinking water, property values and air quality, among other things that are vital to community well-being. We will outline the tilt of their playing field shortly.

Gravel Watch can provide you with some assistance in your consideration of the full range of public interest by giving you some insights on what we're hearing over and over again from our members. There is a massive and growing outcry, and much of that outcry comes from a lack of notice and a lack of transparency, and often simply from the very frustration of trying to deal with aggregate licensing and zoning processes that the Environmental Commissioner of Ontario agrees are complicated, confusing and intimidating.

To briefly explain, this is what happens, from the perspective of a local resident, when a proponent decides to locate a gravel pit or quarry in their neighbourhood. Try to imagine this process from the perspective of one of your constituents.

Usually, unbeknownst to local residents, the proponent will spend years and large sums of money acquiring land, conducting tests and having expert reports and plans developed, always in support of their application. Once this application is submitted to MNR, assuming reports with all of the right titles are included, the licence will be



deemed complete and assigned an aggregate licence number. As Ray Pichette of MNR conceded at this hearing, “We don’t comment on content but on whether it’s complete.”

Several years after the proponent has fully begun preparing himself, the local resident gets involved. A resident within 120 metres of the site will receive a letter notifying him a pit or quarry has been proposed and advising him of a public meeting on the issue within 45 days. A notice appears once in a local paper notifying readers of a licence application. That newspaper often has limited circulation in the local community, so the notice is easily overlooked.

In contrast to the years the proponent has had to prepare his submission, the resident has just 45 days after the notification, and only 10 days after the public meeting, to gather, review and consider hundreds of pages of technical documents, charts and data. Often, access to the data is available only by visiting the MNR office and reviewing it over the counter. If he has any concerns with the proposal, the resident can draft a letter of objection to MNR and the proponent. Bear in mind, this resident usually has little or no knowledge of how the licensing and zoning processes work, and no knowledge of how the objections and consultation process works. If he chooses to seek expert advice, he will often find that the local experts refuse assistance because of conflicts with ongoing contracts with aggregate producers. In essence, the experts won’t risk ongoing work for the sake of a small one-time contract.

Once the proponent receives an objection, they can take essentially whatever time they wish to respond. Once the resident receives the proponent’s response, often filled with cut-and-paste motherhood and unsupported assurances, he has just 20 days to consider it and prepare and submit a further response. If he does not respond within 20 days, it is deemed that the objection has been resolved.

Local residents have limited funds and no time to review and evaluate the data. They have only a vague, common sense expectation of the negative impacts the operation will likely have on their homes, property values, health and family, and on the natural environment, water and landscape because of noise, traffic, dust etc.

If the proponent cannot or chooses not to resolve objections within two years, they submit a summary of outstanding objections to MNR, who refer the case to the OMB. MNR does not evaluate the validity of the objector’s arguments, nor of the proponent’s responses. And by the way, the ARA provides MNR with the opportunity to deny an application, but very rarely does this ever happen. OMB will evaluate the case as a planning issue under the PPS.

Where is support from the local municipality during this process? Typically, costs for a municipality to contest an appeal at OMB can range from hundreds of thousands to millions of dollars. Thus, there is a significant disincentive for a municipality to review or object to an

inappropriate application. Homeowners and communities are often left to contest an inappropriate application on their own.

Gravel Watch has information from our members that they have spent \$400,000, \$500,000, even over \$2 million to contest a single application. Some of these cases are pending; others, OMB has agreed with the residents and denied applications. But in either case, the resident’s money is gone.

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This money comes out of the resident’s pocket. It is not a cost of doing business, it is not a tax write-off, it is not paid for out of taxes. It is paid for by your constituent out of his own pocket with after-tax dollars. It is paid for by dramatically cutting his lifestyle, perhaps by dipping into his children’s education fund or his own RRSPs or retirement savings; and if the application is ultimately approved, it is also paid by the resident out of his home equity, as his property value plummets.

Most often, those contesting a pit or quarry and faced with costs far beyond their means simply give up and relent to the negative impacts of aggregate extraction.

To make this public process all the more frustrating and futile, once the municipality and residents have negotiated the proposal and site plans with the proponent as a condition of zoning, MNR and the proponent can unilaterally change these site plan conditions without approval of the municipality or other agencies and without notification of the residents. Examples include a change from above-water to below-water extraction, extended hours of operation and expansion of the excavation area.

Further, since there are no sunset clauses on licences, the life of the pit or quarry can be extended far beyond the expectations of the municipality or residents.

What can be changed in the aggregate legislation, policies and procedures to fix this?

- require early public notification of an intent to submit a licence application to MNR;

- increase the public notification period from 45 to 120 days. Mr. Pichette of MNR noted that this would not be overly onerous;

- extend the notification area beyond 120 metres. Mr. Pichette also agreed this area could be expanded;

- require full public notification and consultation, and municipal approval, of all significant amendments to the licence and site plans after zoning approval;

- eliminate the “no need to show need” provisions of the ARA so we only license what we need;

- require consideration of cumulative impacts for all new proposals;

- eliminate the close-to-market policy so that we extract where it is most appropriate and least sensitive, not where it’s most convenient;

- apply sunset clauses, or finite time limits, on extraction so that the public knows when operations will cease and when the land will be rehabilitated;

- require MNR to provide expert peer review of submissions, rather than simply confirming that reports with



the right titles are submitted. Alternatively, provide municipalities and/or residents with funds to do so;

—finally, provide municipalities with funding to support OMB hearings.

In closing, I would like to again thank you and applaud you. We at Gravel Watch are encouraged that the provincial government and this committee are undertaking this review. We're also encouraged by acknowledgements by the industry at this hearing that clearly indicate the act and the regulations need improvement. Gravel Watch Ontario will also be providing a written submission to the committee that will build on these comments and add others.

We at Gravel Watch look forward to working with the government, including the Ministry of Natural Resources and other ministries, with the industry and with the certification groups to improve the management of this province's most vital aggregate resources.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. Conservative caucus: Ms. Jones, go ahead.

**Ms. Sylvia Jones:** Thank you, Mr. Dowling. In your submission, you make reference to the timeline of how long the applications are. I'm familiar with a number of recent ones. It looks as though the average, from start to some kind of decision, generally at the OMB, is eight to 10 years. Is that what you are seeing?

**Mr. Tony Dowling:** We've seen cases where that's been the fact, yes.

**Ms. Sylvia Jones:** So my question is—you know, I haven't spoken to anybody who wanted to go on longer than eight to 10 years on either side, quite frankly. I think it's a lot of disruption for a long time for the community, and conversely, of course, from a business scenario, that's an awful lot of time to wait to see whether it's for or against.

Having said that, what are your thoughts on how we ensure the oversight and the input without extending it beyond eight to 10 years?

**Mr. Tony Dowling:** I would expect that the eight-to-10-years scenario is invariably where a case has been appealed to the OMB after zoning has been denied or there's been another denial. I think if we had a more thorough vetting of the application early in the process and perhaps a more balanced playing field and notification, or least awareness time periods between the proponents and the residents and municipalities, we can eliminate a lot of that OMB hassle.

**Ms. Sylvia Jones:** So a stronger role for the municipality in terms of the planning and the zoning?

**Mr. Tony Dowling:** Let's let the producers know right upfront what are clearly the rules and what are clearly not the rules. Eliminate the grey area.

**The Chair (Mr. David Oraziotti):** Okay. Thank you.

**Ms. Sylvia Jones:** Thank you.

**The Chair (Mr. David Oraziotti):** NDP caucus: Mr. Marchese.

**Mr. Rosario Marchese:** Mr. Dowling, I appreciate all the work that you all do. You're not paid to do this. Some

people are, and so it's important to acknowledge that there are people who do this because they worry and they care about what happens to their environment.

The industry's saying that we're running out of sites, of course, and we're going to have to expand these sites. They're going to have to go further north, presumably, which may be less sensitive than where they are at the moment, but I'm worried about that too because the further they go, the more damage they will cause in a variety of different ways, and so we need to look at how we deal with this problem of aggregates. That's why I've been pushing for recycling. I think we've got to recycle a lot more as a way of dealing with the problem. Do either of you have a view on that?

**Mr. Ric Holt:** Let me put in a word. What you say makes eminent sense, but it does sort of imply that we have a given need and it keeps on growing. Our first number one in the plan should be conservation. Are we really using this gravel in a good way? We're using a huge amount per capita, 14 tonnes per person per year, and that's one of the places we want to strike first. Your concerns are exactly right, but we don't want to forget conservation is number one.

**Mr. Rosario Marchese:** I agree with that.

**Mr. Tony Dowling:** If I can interject, I would say as well that recycling is part of conservation. We don't have a very good record of recycling. We recycle about a third of the percentage here that they do in the United Kingdom, and that's a vast amount of gravel.

Finally, a point that I've made several times is that if we extract on farmland close to market, we are going to have to truck that produce in from other regions—and it won't come from Michigan or Ohio, which are nearby, because they have their own needs; it will come from further away at great cost in perpetuity.

**The Chair (Mr. David Oraziotti):** Thank you. That's good. We've got to move on.

**Mr. Rosario Marchese:** Thank you both.

**The Chair (Mr. David Oraziotti):** Mr. Colle, go ahead.

**Mr. Mike Colle:** Yes. Thank you. I guess the one thing that I think you illustrated that bears some comment is that there's basically no time limit or sunset clauses on these licences. So once you get a licence, it means you have that licence to extract aggregate in perpetuity?

**Mr. Ric Holt:** Forever.

**Mr. Mike Colle:** And I guess there are some cases where some of these sites go dormant for a while. Then when they're reactivated, is there any notification required?

**Mr. Tony Dowling:** Not that we're aware of.

**Mr. Ric Holt:** This is the famous grandfathering. We just had an example of a pit that was sitting there for 38 years, and they were running under the same rules that were applied back then. Who knows what was going on 38 years ago? It just doesn't seem to make any sense.

**Mr. Mike Colle:** I guess you would concur that perhaps we should be looking at this open-ended licensing process—



**Mr. Ric Holt:** Absolutely.

**Mr. Mike Colle:** —at least some kind of review mechanism or an assessment of what the impact might be of reopening an operation that's been dormant for decades.

**Mr. Tony Dowling:** We have no issue with the thought that producers need some leeway and some flexibility due to market conditions. However, we believe that any business planner can certainly put some cushion in and still apply a sunset clause or a finite limit.

**Mr. Mike Colle:** Okay. And then the—

**The Chair (Mr. David Oraziotti):** Thank you, Mr. Colle. It's time.

**Mr. Mike Colle:** Okay.

**The Chair (Mr. David Oraziotti):** Thank you for your presentation, folks. We're a minute or so over the 15, so we've got to move on.

I just want to remind folks, members of the committee, five minutes for questions, so we need to try to keep them as brief as possible and concise so that we can hear all of the presentations and all the questions today.

## EARTHROOTS

**The Chair (Mr. David Oraziotti):** The next presentation: Earthroots. Good afternoon, and welcome to the Standing Committee on General Government. As you're aware, you've got 10 minutes for your presentation, so you can start by stating your name and proceed when you're ready. The time remaining will be left for members to ask questions.

**Mr. Josh Garfinkel:** Sure. My name is Josh Garfinkel and I work for Earthroots, a non-profit environmental organization dedicated to protecting wilderness, wildlife and watersheds in Ontario.

I just want to say thank you for the opportunity to speak in this forum today. Earthroots represents over 12,000 supporters, and we're really pleased that the provincial government is revising the Aggregate Resources Act. It's an essential undertaking, and we feel it's one that is long overdue.

The reality is, we're growing at an unprecedented rate in southern Ontario. While growth has increased rapidly in the greater Golden Horseshoe, environmental organizations and concerned citizens alike have grown increasingly concerned that the existing provincial policies are lagging and that regulatory loopholes and insufficient implementation are allowing greater strain to be put on our natural resources.

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As the number of cars on the road continues to multiply and the government approves more infrastructure projects, the dialogue over aggregate operations has heightened. Currently, the issue of future aggregate supplies in the province brings more questions than answers. Consequently, there is growing concern over the effects of aggregate extraction on groundwater, farmlands, and the sensitive features of landforms such as the Oak Ridges moraine and Niagara Escarpment.

The reality is that the province is not doing what they can be or should be to foster the current levels of growth in an ecologically and socially responsible way. The government has incomplete data on the state and consumption of Ontario's aggregate resources, and we find this very alarming. Moreover, the government has not sufficiently mapped out projections regarding future demand of these resources. It begs the question of how the government can sustainably regulate this resource with gaps in such critical pieces of information.

One of the responsibilities of my position at Earthroots is monitoring how the law designed to protect the Oak Ridges moraine is being implemented or if it's being enforced in a meaningful way. The Oak Ridges moraine conservation plan places restoring and protecting hydrological integrity front and centre; it's the overriding principle. It's nice language, it sounds very promising, but the reality is the 10-year anniversary just passed, and it's safe to say there are a number of policy gaps that undermine the progressive principles outlined in this plan.

Of course, some of the essential and dominant features of the moraine are the sand and gravel pits. Unfortunately, decisions made under the Aggregate Resources Act do not legally have to conform to the Oak Ridges moraine conservation plan. To quote Environmental Commissioner Gordon Miller's recent submission to the standing committee, "The ARA is not specifically prescribed under the' Oak Ridges Moraine Conservation Act. MNR should merely 'have appropriate regard to its requirements when making decisions on the issuance of, or amendments to, licences and wayside permits under the ARA.' I believe this is a serious gap in the implementation of the Oak Ridges moraine conservation plan and frustrates the intent to place special conditions on aggregate operations on the Oak Ridges moraine, which was the intent of the Oak Ridges moraine legislation. I believe that MNR's ARA decisions must conform to the Oak Ridges moraine conservation plan and I urge the ministry to resolve this implementation gap."

One of the objectives of the Aggregate Resources Act, section 2, is to minimize adverse impact on the environment in respect of aggregate operations. This is a lofty objective, but the reality is that the impacts that sand and gravel extraction are having on groundwater resources, as well as farmland, are not adequately being considered in the process. Unfortunately, the promising language in the existing policy is quite misleading. As the commissioner pointed out in his recent submission, the provincial standards and the manual do not require comprehensive assessment of environmental impacts. They require only certain aspects of the environment to be considered in the technical reports submitted.

Unfortunately, the regulation of the sand and gravel industry is based on short-term planning. Even highly lauded land use plans, such as the Niagara Escarpment plan and the Oak Ridges moraine conservation plan, allow pits in huge portions of these protected boundaries. The question of need is not part of this decision-making process. Mr. Miller, the commissioner, points out that be-



tween 1985 and 2006, no application for a new or expanded pit in the Niagara Escarpment plan area was turned down. We're calling on the MNR to be acting with much more scrutiny and transparency, and not having the regulatory process act as a rubber stamp for industrial operations.

We need the provincial government to be far more visionary and proactive when it comes to managing our natural resources. It's my submission that the province must establish significantly higher charges for aggregate extraction. If the fees were increased, this could foster greater incentive to use primary aggregate more efficiently. We need the government to be holding industry more accountable, and Earthroots feels that increased charges for extraction, and requirements for the use of recycled aggregates in public projects, are key steps in the right direction towards a more sustainable Ontario.

I'd like to shift the focus for a moment and outline something that is in urgent need of attention. I mentioned earlier that a lot of what I do for Earthroots is looking at how effectively the Oak Ridges moraine conservation plan is being implemented. One of the most glaring problems right now pertains to commercial fill. I've met with a couple of the MPPs here today about this issue.

With brownfield development becoming more common and the GTA's population growing at an exponential rate, the massive amount of soil that is being excavated in this process is being transported to a wide range of commercial fill sites throughout Ontario. While we recognize that the dirt needs to go somewhere, there is an array of problems with how this is all unfolding. Unfortunately, one of the critical parts of this process, soil movement, is not being monitored by the provincial government. What's happening now is that it is being tracked and monitored by the industry itself. In reality, the fact that it's self-regulated just means that it's not working.

What's happening is that the depleted sand and gravel pits on the moraine are becoming prime destinations for this commercial fill of unknown quality. Quite frankly, this is highly problematic, and if the problem is not addressed and fixed, it will turn into a disastrous situation. These pits are oftentimes on areas of high aquifer vulnerability or near the confluence of rivers, meaning that drinking water is particularly susceptible to contamination.

Now, within the ARA's terms of reference, it says that "the committee should focus on best practices and new development in industry." Clearly, there is a new development that is happening, which is that these pits are being used as dumpsites. A perfect example of the problems and risks that exist can be found in the example of a fill site in Durham, on Lakeridge Road. Over a period of five months, thousands of truckloads of soil were brought to the area, and a random sample revealed contamination. The rehabilitation of the pit on Lakeridge Road was considered exceptional, but that didn't stop operators from legally filling it with dirt that came from Toronto's waterfront.

The lack of oversight and accountability with this process is extremely concerning. Despite the finding of petroleum hydrocarbons that exceeded Table 2 standards, dumping of contaminated dirt continued for some time because of loopholes in the moraine's legislation. It's clear that smaller municipalities do not have the capacity to monitor, regulate or stop dumping in their communities.

The Aggregate Resources Act emphasizes the importance of rehabilitation, which is obviously critical. However, even if these pits are rehabilitated in an optimal way, this doesn't legally preclude them from being used as dumpsites with potentially contaminated commercial fill. Once the pits are surrendered, they are no longer under the purview of the MNR. It becomes the purview of the municipalities to deal with the sites once they have been surrendered. This is highly alarming, as many of the municipalities do not have the technical expertise to deal with managing the pit.

In fact, some sites are being severed or licences are being surrendered before rehabilitating under the act, and, instead, agreements are being struck with municipalities and commercial fill use is being permitted. This elicits more questions and causes even greater concerns over the effects there will be on groundwater recharge and quality.

With respect to the emerging issue of commercial fill, we found an alarming gap. Fill does not fully fall under the mandate of the MNR or MOE. While it doesn't fall under the purview of the MNR, ultimately we feel it's still connected. Addressing the growing issue of commercial fill is going to require a great deal of oversight. It's my submission the MNR needs to re-evaluate what should happen to these pits once they have been rehabilitated.

As it currently stands, the way these pits are being regulated, impacts to groundwater are not being sufficiently taken into consideration. Earthroots is working on this issue, and we would be more than happy to meet with members of the MNR and other relevant ministries to discuss realistic, sustainable solutions for this emerging issue.

Thank you.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. The NDP caucus is up first.

**Mr. Rosario Marchese:** Thank you very much, Josh. Clearly, self-regulation doesn't work.

**Mr. Josh Garfinkel:** I can't think of one example where it has.

**Mr. Rosario Marchese:** I've never been a big fan. Why do we continue to allow it? Why do you think?

**Mr. Josh Garfinkel:** That's a good question. I've asked myself that question. To be fair, I didn't want to paint it in such a black-and-white fashion, but a lot of these ministries are strapped for resources; I recognize that. I'm aware of budget cuts, consistent budget cuts. I wish I had a more concise answer as to why, other than MOE and MNR being cash-strapped.



**Mr. Rosario Marchese:** But the point is, if the government doesn't regulate, we don't know what happens.

**Mr. Josh Garfinkel:** That's exactly right.

**Mr. Rosario Marchese:** That's part of the point you're making.

**Mr. Josh Garfinkel:** That's right.

**Mr. Rosario Marchese:** So we need to get the government into the business of regulating so they ultimately become responsible—either the ministry and/or the minister or, in this case, the government. Right?

**Mr. Josh Garfinkel:** That's exactly right. We have all these really important pieces of legislation, and with respect to the commercial fill issue, it seems to have fallen in the gaps or fallen in the cracks of the brownfield act, the moraine plan and the Aggregate Resources Act.

**The Chair (Mr. David Oraziatti):** Very briefly. You've got a quick question, Ms. Campbell. Go ahead.

**Ms. Sarah Campbell:** You hit the nail on the head. A big part of the issue is lack of funding, and that translates into lack of personnel to actually monitor the sites. How do you think the MNR might be able to get some more money? Would you support fees on the industry or—

**Mr. Josh Garfinkel:** Of course, yes. We're all for increased fees. That's our main suggestion at this point.

**Ms. Sarah Campbell:** What would that look like?

**Mr. Josh Garfinkel:** I haven't done enough analysis to give you specific examples. To be fair, I don't want to speak from an uninformed—

**The Chair (Mr. David Oraziatti):** Okay, that's time.

**Ms. Sarah Campbell:** Thank you.

**The Chair (Mr. David Oraziatti):** We're going to move on here for a minute. Mr. Colle, go ahead.

**Mr. Mike Colle:** Thank you, Josh.

In terms of the commercial fill, right now, if there's a remediation action at Toronto's waterfront, and there's a load of fill extracted from the site that in some cases is contaminated, does the city of Toronto check it at this end? Does anyone?

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**Mr. Josh Garfinkel:** No. There are a couple of exceptions where it's checked on sites, the port lands being one example. But I got a tour of Direct Line, which is considered a very good, exceptional, soil remediation facility. I went with somebody who used to be a water engineer for Environment Canada. There were a lot of gaps in some of the information they were giving us in terms of the remediation process.

I don't want to say that all commercial fill is contaminated and no one is doing the right thing, because it's not as simple as that. There are lots of honest people in the construction industry who are doing a legitimate job, but no one is tracking the movement and disposal of commercial fill from sites to final destination. So even if it is being remediated, there's more money for a landowner—and we've seen many examples of this—to take contaminated fill than there is for clean fill. It's becoming a really big problem. Earthroots is having more and more farmers and various landowners throughout southern Ontario calling us and being concerned about

what kind of fill they're being offered and who's behind these operations. That's the long answer.

**Mr. Mike Colle:** Thank you.

**The Chair (Mr. David Oraziatti):** Mr. O'Toole, go ahead.

**Mr. John O'Toole:** Yes, thank you very much. My riding is Durham, so I'm quite familiar with the issue. I'll just put a couple of points on, and then I have a question. The first one is that really self-regulation—some would believe it's not a solution. That's accusing people of being unethical. Most professions are self-regulating. That's the nature of a profession. Engineers are included in that; doctors, nurses etc. You know that for sure. I think it's a bit irresponsible to generalize. You set up a frame of regulations and enforcement; that's the proper way.

The second thing also is that under the provincial legislation, the Oak Ridges moraine and the greenbelt, issues of provincial interest are exempt, whether it's this issue or other provincial issues. That's not particularly new.

Specific to the commercial fill issue, I was assured by both Linda Jeffrey, as Minister of Natural Resources at the time, as well as John Wilkinson, who's no longer with us, unfortunately, that all of the due precautions had taken place at the Don lands for moving this material to my riding on Lakeridge as well as other locations. What would you recommend—the process? I presume that Toronto would have some role. The proponents of the Pan American Games, at the highest level: Are you saying that they didn't take the necessary precautions?

**Mr. Josh Garfinkel:** Do you mean specifically for the Don lands?

**Mr. John O'Toole:** This is the Pan American site. This is a provincial initiative. Are you saying that they did not take the necessary precautions?

**Mr. Josh Garfinkel:** I'm saying that no one's sure. I've spoken to people from the MOE about this—

**Mr. John O'Toole:** Well, that's good. I—

**Mr. Josh Garfinkel:** To be fair, I'm not saying—I understand your concerns. You and I have met about this issue.

**Mr. John O'Toole:** Yes, we have.

**Mr. Josh Garfinkel:** I think generally we're on the same page. I understand that self-regulation does work in some cases, but in this case, I feel it's not working. I could try to avoid generalizations, but—

**The Chair (Mr. David Oraziatti):** Okay, actually, that's a good spot for you to wrap up. We're at time, and appreciate it. Thank you very much. We appreciate you coming in for your presentation.

**Mr. John O'Toole:** Thank you for your presentation, Josh.

#### TOP AGGREGATE PRODUCING MUNICIPALITIES OF ONTARIO

**The Chair (Mr. David Oraziatti):** Our next presentation: Top Aggregate Producing Municipalities of



Ontario. Good afternoon, folks. Welcome to the Standing Committee on General Government. As you're aware, you have 10 minutes for your presentation. Any time you don't use will be divided among members for questions. You can start by stating your name and proceed when you're ready.

**Ms. Marolyn Morrison:** Marolyn Morrison.

**Mr. Dennis Lever:** Dennis Lever.

**Mr. Doug Barnes:** Doug Barnes.

**Ms. Marolyn Morrison:** Good afternoon, Mr. Chair and members of the Standing Committee on General Government. My name is Marolyn Morrison; I am the mayor of the town of Caledon, and I have our CAO, Doug Barnes, with us. I am here today as chair of a new municipal alliance, the Top Aggregate Producing Municipalities of Ontario, TAPMO. I am pleased to be joined by Mayor Dennis Lever of Puslinch.

In late 2010, Ontario's top 10 aggregate-producing municipalities formed a coalition under the leadership of Mayor Ric McGee of Kawartha Lakes. Since that time, a number of communities have expressed their desire to join the initial group. As such, the Top Aggregate Producing Municipalities of Ontario, TAPMO, was organized as a single association of the top aggregate-producing municipalities in Ontario. Forty communities from across the province, who collectively produce two thirds of virgin aggregate in Ontario, have been invited to participate in this new alliance. I had a conference call this morning, and we had 20 participants on the conference call. On their behalf, I appreciate this opportunity to bring our shared concerns to the attention of the standing committee.

Local municipalities have an opportunity to lead on this issue to make a positive contribution in reforming the Aggregate Resources Act. We want to work with you to develop long-term, practical approaches that will ultimately benefit all aggregate industry stakeholders.

Municipalities recognize the benefits of a successful aggregate industry to their local economies. However, for many communities, this success has significant quality of life, environmental and economic costs.

Perhaps the most immediate concern for major aggregate-producing municipalities is the impact of heavy vehicles on local infrastructure. The real cost of continuous heavy traffic on local roads, bridges and culverts is many times more than the royalties returned to the communities. The aggregate industry pays 12.5 cents per tonne as a royalty; 7.5 cents of that is paid to the local municipality. This royalty is grossly insufficient to recover the costs of the infrastructure damage caused by the industry, costs that are ultimately borne by the local taxpayer.

Let me give you an example. The city of Kawartha Lakes receives about \$400,000 in royalties from the Ontario Aggregate Resources Corporation, TOARC, for approximately 5.4 million tonnes of virgin aggregate extracted in the community annually. However, according to their municipal finance and public works officials, the direct cost of continuous heavy traffic on the local infra-

structure is \$2.4 million annually. When combined with (1) aggregate traffic generated in neighbouring municipalities, (2) the introduction of larger trucks, (3) overloading, and (4) the excessive speed, the costs to local taxpayers balloons to more than \$5 million per year. In Kawartha Lakes, the full cost-recovery payment for the \$5 million in local expenditures would amount to 93 cents per tonne, more than 12 times the current rate.

Aggregate-producing municipalities are focused on narrowing the gap between the real costs to the local taxpayer and the royalties currently paid by the industry. Any meaningful review of the Aggregate Resources Act must address this enormous discrepancy.

The committee should ensure that a full regulatory system is paid for by the industry. Time after time, we hear the need for full cost recovery for drinking water to protect the environment and health and to encourage conservation. The same should apply to aggregates: full cost recovery. Our environment is fragile, and we must be making decisions today that are sustainable over the long term.

Recycling, in every facet of our personal and professional lives, has proven to be a sustainable, economically viable and socially responsible approach to conserving and protecting our scarce environmental resources. It reflects a long-term view. Yet in the aggregate industry, we have all been slow to adopt the principles of recycling and reap the proven benefits it offers. We must take a page from our European friends and find a way to incentivize the use of recycled aggregates. In the UK, as you likely know, a levy was introduced to address the environmental costs associated with quarrying: noise, dust, visual intrusion, loss of amenity, and damage to biodiversity. The levy has the effect of bringing the price of virgin aggregates in line with the real environmental costs of quarrying while encouraging the use of alternative materials such as recycled aggregates, which are not taxed. In our opinion, the use of incentives to promote the use of recycled aggregates must be a primary consideration in the government's review of the ARA.

By way of example, in Caledon, our roads contracts are achieving 40% recycled material, and our new LEED-standard police building will achieve 80% recycling of construction materials. We feel strongly that the provincial ministries must work collaboratively to promote recycling in all capital projects. The ministries must not only work together; they must lead in this effort.

In an era that has seen the introduction of landmark legislation to protect our environment—the Oak Ridges moraine plan, the greenbelt plan, source water protection legislation, the Lake Simcoe protection plan and an updated provincial policy statement, to name just a few—it is clearly time to bring the Aggregate Resources Act in line with the environmental leadership that our province is demonstrating.

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As such, the rehabilitation of depleted sites is a significant concern to residents of aggregate-producing communities and deserves particular attention in your review



of the Aggregate Resources Act. Turning extraction pits into ponds and lakes unconnected to water systems was developed because it was the cheapest answer. More ponds and lakes does not return those properties to their original use or ecosystem.

The State of the Aggregate Resource in Ontario Study, paper 6, produced in December 2009, commits more than 625 pages to the issue of the rehabilitation of quarries. Once again, incentives are suggested to promote and facilitate rehabilitation, including social licensing, where operators must earn the right to continue extraction through timely and progressive rehabilitation.

Finally, I would like to bring to your attention an emerging issue of increasing concern to aggregate-producing municipalities. As you know, transporting aggregates from the quarry to the market represents more than 60% of the total cost. There is, therefore, a significant financial incentive to revive or extend the life of existing pits close to the GTA. Extending pit boundaries, extending years of operation, or quarrying beneath the water table, for example, are relatively cost-effective ways of extracting more resources, a process that is generally accomplished through a site plan approval process.

When a new aggregate licence application occurs, there is a comprehensive public process. Once that process is complete, however, the procedure for changing the terms of a pit's operation is much less stringent, sometimes allowing modifications to conditions that were important to the community in the initial application. These changes are made without public notice.

We believe site plan approval requests for significant changes to pit operations—for example, tonnage increases, increases in operating life, or increases in the depth of extraction—should be required to go through a full public process similar to the process for a new licence.

The aggregate industry is a vital and complex industry. The challenges and opportunities that face us all are well beyond a 10-minute presentation. Whether it's the air we breathe, the water we drink or the materials that we use for construction, the environmental, social and health costs should not be disregarded. Disregarding these costs is only a short-term gain and will continue to create long-term pain and expense.

Notwithstanding the enormity of the task, the provincial government is to be congratulated on its desire to bring about positive change through its review of the Aggregate Resources Act. I want to assure you that the Top Aggregate Producing Municipalities of Ontario are committed to working with you during this review process.

On behalf of the member municipalities of TAPMO, thank you very much for this opportunity to appear before the standing committee.

**The Chair (Mr. David Oraziotti):** Thank you very much for your comments. The Liberal caucus is up first. Mr. Colle.

**Mr. Mike Colle:** Thank you for the presentation. On recycling in municipalities—we asked this question before; I think it was the Environmental Commissioner.

More than half of the municipalities, basically, do not do any recycling at all, and they're opposed to it. Why are so many opposed to the recycling?

**Ms. Marolyn Morrison:** I believe because they need more education as to the value of it. Maybe they don't have aggregate pits in their municipalities, so it's not a big deal.

**Mr. Mike Colle:** Yeah, maybe that's it.

**Ms. Marolyn Morrison:** I would say that, from what we have looked at—we've done some tests of sections of roads with 20%, 40%, that sort of thing, and they stand up just as well as our virgin aggregates.

**Mr. Mike Colle:** Has there ever been a motion at AMO to basically support the use of recycling by municipalities?

**Ms. Marolyn Morrison:** Not that I know of at this point.

**Mr. Mike Colle:** Would you bring one forward at the next AMO meeting?

**Ms. Marolyn Morrison:** He knows I'm on the board of directors of AMO. Yes. What I was hoping to do is, once we have our TAPMO group well established—we do have some of the board of directors from AMO on it, because they're mayors of their municipalities, like Ron Eddy from Brant. So we are hoping to eventually move to have AMO endorse—

**Mr. Mike Colle:** Right, and sorry to interrupt, but just this third point: Is there any kind of carrot we could use with the municipalities in terms of encouraging them to use more recycled materials? Do you want to think about that, if you don't have the answer right now?

**Ms. Marolyn Morrison:** Oh, I don't have to think about it. I could tell you right now.

**Mr. Mike Colle:** Oh, you've got it right now. Good.

**Ms. Marolyn Morrison:** In my opinion, if the province of Ontario—MTO—started using recycled aggregates in their construction—

**Mr. Mike Colle:** But they are, up to 45%, I think. That's the highest—45%, MTO is using.

**Ms. Marolyn Morrison:** They're not.

**The Chair (Mr. David Oraziotti):** Okay, we're going to move on. We're going to continue the conversation—

**Mr. Mike Colle:** Well, that was admittedly—

**Ms. Marolyn Morrison:** We'll have to find that out. My understanding is they're not, and I honestly think that if MTO started to lead in that direction by example, the other municipalities—

**Mr. Mike Colle:** No, the Environmental Commissioner said 45%.

**Ms. Marolyn Morrison:** Okay, I'll check that out.

**The Chair (Mr. David Oraziotti):** Conservative caucus. Ms. Jones, go ahead.

**Ms. Sylvia Jones:** Thank you, Mayor Morrison. Nice to see you here.

**Ms. Marolyn Morrison:** Nice to see you.

**Ms. Sylvia Jones:** You made reference to the levy that's paid per tonne to the local municipalities and close to market. Of course, the levy is only going to the host municipality. How do we get the disconnect between, as



you travel to get that aggregate to its point of use, all of the municipalities that are also dealing with trucks and their traffic?

**Ms. Marolyn Morrison:** You know, we have talked about that and we thought a lot about it as this group of mayors and municipalities, the 40 of us. First of all, what we have to do is to get the province of Ontario to agree that the levy has to be increased. Then we need to sit down as a group, and I have to tell you that OSSGA sits as a non-voting member on this committee of TAPMO, because we need all the parties together. We need everybody working together.

Then we need to sit down and we need—I don't know if they gave me permission to say this, but I don't see the whole 93 cents, if it was 93 cents, going to a municipality; I see some of it going for exactly what we were talking about earlier: looking over how the aggregate producers manage their pits, that sort of thing. I see some of it possibly going—

**Ms. Sylvia Jones:** So regulation and control?

**Ms. Marolyn Morrison:** Regulation, yes. I see some of it going to the municipality. I know Rama has—I think it's Rama, the municipality of Rama?

**Mr. Dennis Lever:** Ramara.

**Ms. Marolyn Morrison:** Ramara—sorry, I just talked to them this morning—has a real problem because the aggregates coming out of Kawartha Lakes travel through Ramara. So Ramara is saying, “Oh, my gosh, my roads are being beaten to death and I'm not getting that money.” I think there has to be some sort of a way of divvying up the dollars. I'm not saying that we should take it all; we need to make sure that we have proper regulations, that there's overseeing of it, and that the municipalities most impacted by the aggregate producers, the trucks, get the money.

**Ms. Sylvia Jones:** Or we figure out rail.

**The Chair (Mr. David Oraziotti):** Okay, I need to end—

**Ms. Marolyn Morrison:** Oh, we've talked about—we had a big discussion this morning, in our conference call, about rail. And Moreen Miller, who's the CEO of OSSGA, was—

**The Chair (Mr. David Oraziotti):** I'm sure there's a lot more to that—

**Ms. Marolyn Morrison:** There's tons.

**The Chair (Mr. David Oraziotti):** —but we need to move on at this point. Ms. Campbell, go ahead.

**Ms. Sarah Campbell:** Thank you for your presentation. I wish we had more time for questions, because I have a whole host of them. But I just wanted to start off with one and then I'll let Rosario ask one.

In your presentation, you said that the royalty is inadequate to cover the true cost to the municipalities in terms of your infrastructure. So I'm curious: Why is it that you say that incentives are needed for municipalities to start using recycled aggregates?

**Ms. Marolyn Morrison:** Because I believe that if we got to recycled aggregates and they started using recycled aggregates, it would cut down on the noise, the dust and

the disturbance to the municipalities where the virgin aggregates are actually taken out of the ground. And if they did take virgin aggregates, well, then, we have to probably have a high royalty for them. We need to look at what they're doing in Europe. In Europe, they're doing that, and it's covering the cost of the infrastructure—

**Mr. Rosario Marchese:** Yes. No, we agree. Just to continue—

**The Chair (Mr. David Oraziotti):** Okay, go ahead, quickly.

**Mr. Rosario Marchese:** We agree with the levy, by the way. And by the way, the industry seems to agree with the levy, God bless.

**Ms. Marolyn Morrison:** I know they do. I've met with them.

**Mr. Rosario Marchese:** Which means there's pressure on all sides, so at some point we're going to have to talk about that. We haven't agreed on what that levy should be, but we all agree.

On the issue of recycling, we have to make that happen. So my question is not so much how we make the little municipality agree to recycling where it doesn't have the resources or expertise; it's the government saying, “We're going to make this happen and we'll provide support where needed in the local municipalities,” as opposed to you going back to AMO and saying, “You all discuss it and come up with some plan to make this work.” In my view, it's the province that has to come up with a plan and make this work.

**Ms. Marolyn Morrison:** I would like the province to be the leader in that, and organizations like OSSGA and TAPMO would help by working either through AMO or with the municipalities that we have to make that happen.

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**Mr. Rosario Marchese:** Through the leadership of the province. Do you believe in self-regulation?

**Ms. Marolyn Morrison:** You know, I would love to think we could do it, but it's proven it doesn't work.

**Mr. Rosario Marchese:** I agree with you.

**The Chair (Mr. David Oraziotti):** All right. I need to stop you there. Thank you very much. We appreciate you coming in today.

## CEMENT ASSOCIATION OF CANADA

**The Chair (Mr. David Oraziotti):** Our next presentation: the Cement Association of Canada. Good afternoon. Welcome to the Standing Committee on General Government. As you know, you've got 10 minutes for your presentation. You can just start by stating your name and proceed when you're ready.

**Mr. Michael McSweeney:** Thank you. I'm Michael McSweeney, president and CEO of the Cement Association of Canada. Thanks for this opportunity to provide the thoughts and perspectives from the cement industry on the ARA review.

We represent Ontario's cement manufacturers: Essroc, Italcementi, Federal White, Holcim Canada, Lafarge North America and St Marys Cement.



Just to remind you, cement is the glue that holds the concrete together. It's a very fine, dry powder that is sold in bulk or bags and travels the world very easily.

Cement is produced by extracting limestone and small amounts of sand and clay, usually from a quarry located near a cement manufacturing facility. The extracted materials are analyzed, blended with additional mineral components and finely ground for further processing. They are then heated in a kiln at a temperature of close to 1,470 degrees Celsius. The heat transforms the materials into a molten product called clinker, which is rapidly cooled. The clinker is then finely ground. Gypsum is added to control setting time, along with other supplementary cementing materials, to obtain a fine powder which is then called cement.

The cement and concrete industries in Ontario employ over 16,000 Ontarians and generate over \$6 billion of economic activity. They also allow the province to be self-sufficient in meeting cement demand. This is extremely important, given the vast amount of spending by both the government and the private sector on concrete products.

Cement, concrete and aggregate facilities are located in most ridings across Ontario, and they are important industries supporting a \$37-billion construction industry. Without access to aggregates, our industry cannot survive and the construction industry would grind to a halt.

Over 85% of ready-mix concrete is composed of aggregate. Look around your town or your city and you'll see the importance of concrete in our hospitals, schools, roads, transit systems, bridges and in the buildings we call home.

Given the critical importance of our nation's infrastructure in maintaining jobs and promoting economic growth, and the growing importance of sustainable construction, cement needs to be seen as one of Ontario's most important and strategic commodities. Can you imagine importing cement from Asia and all of the greenhouse gases that that would create? In fact, concrete is the most widely used man-made commodity in the world, with over 3,000 tonnes per year being consumed by every man, woman and child.

Almost 60% of Ontario's aggregates are used by the public sector: federal, provincial and municipal governments. Demand for infrastructure is expanding as the population increases. At the same time, current infrastructure is aging. As a result, the demand for cement, concrete and aggregates will only increase. Continued access to aggregates close to building sites is essential to the future prosperity of Ontario.

Equally important is our industry's commitment to corporate social responsibility and to working with NGOs, ENGOs and local communities. We are strong believers in taking a cooperative and collaborative approach. Our member companies have recent experience working in partnership with the World Wildlife Fund, Environmental Defence, Habitat for Humanity, Earth Rangers, Pollution Probe and Lake Ontario Waterkeeper, to name a few. Our companies recognize the

importance of communicating regularly with local communities and consulting with them on initiatives that are happening in their area. We support initiatives that reward industry and stakeholders that have formed partnerships to work co-operatively together and to develop solutions.

From other presentations you heard last week, you will have heard from the Aggregate Forum of Ontario and SERA, the Socially and Environmentally Responsible Aggregate forum, which are examples of industry and ENGOs working together to create a voluntary certification program within the industry—a certification program and self-regulation that does work. These initiatives increase environmental stewardship and community engagement.

Other presentations have talked about rehabilitation. When an industry has finished with a pit or a quarry, they likely become wildlife habitats, recreational parks and agricultural land. These former pits and quarries are rehabilitated back into the landscape and available for public enjoyment.

I want to highlight for you a quote from one of Ontario's great environmental groups, Earth Rangers Centre For Sustainable Technology. Earth Rangers is a not-for-profit charitable organization dedicated to educating children and their families about biodiversity loss. A recent quote from their president and CEO, Mark Northwood, stated, "We chose concrete as the material of choice for our building because of its comparatively low impact on biodiversity, its longevity, and thermal qualities. We also believe in aggregates as a top choice for building materials because of the cement industry's ability to recover, and, in most cases, increase the state of biodiversity on their properties."

We believe in strongly working with all local stakeholders: local municipalities, environmental groups and the general public. We are committed to sustainability and responsible stewardship, and we are a willing environmental partner. We need, though, ready access to aggregates. Local aggregate sources are critical for our industry and are more environmentally friendly, requiring less transportation over long distances. In fact, the SAROS study confirmed that a close-to-market supply is an environmentally responsible policy, as it requires less travel, consumes less fuel and, as a result, generates less greenhouse gas emissions.

However, close-to-market supplies are quickly depleting, as you've heard before. It's estimated that the GTA only produces about 50% of what it consumes and the rest is imported from beyond the GTA. As previously noted in other presentations, SAROS states that within a decade there will be shortages within the GTA for high-quality aggregate. With over 206 cranes in the sky in Toronto today, mostly for concrete buildings, access to aggregates is vital.

Just as the 100-mile diet or the local food movement is growing in popularity and importance, so too should we focus on our local aggregates. Local food policies make economic and environmental sense, and so do local



aggregate policies. Each new aggregate pit or quarry brings new local jobs and investment to the local economy. The local food movement promotes sustainability, as do local aggregate resources. The same principles that are applied to local food should be applied to aggregates. It makes economic sense and it makes environmental sense.

SAROS also confirmed that stone, sand and gravel are non-renewable resources. Ontario consumes about 160 million tonnes per year, with you in government consuming 60% of aggregates. We need to protect those resources for the future. We need to confirm and support a close-to-market supply. The reality is that nothing gets built in Ontario without aggregates. It is in the province's best interest to protect and manage these resources.

We need to develop a clear, efficient permitting process to assist small businesses and attract international players by creating certainty in the process. In order for Ontario to remain a place where companies want to invest money, where they want to conduct business, we need certainty, and we expect reasonable time periods for the permitting process. Certainly we can all agree that waiting up to nine years for a permit is not efficient or reasonable and will not attract investment to Ontario.

We believe in sustainable resource management by balancing the needs of the environment with the economy, the province and local communities. Producing aggregates close to market is truly sustainable.

We know local communities are concerned about the potential environmental impact, but we believe in working with the local communities to address those concerns in advance and to highlight the net gain to the natural heritage systems through land rehabilitation processes.

In closing, Mr. Chairman, I can assure you that the cement industry has indeed come a long way. Today, the industry as a whole is striving to be more environmentally responsible and identifying new and innovative ways to reduce our environmental footprint.

The ARA is an effective means to license new pits and quarries, to regulate the day-to-day operations and land rehabilitation. It allows for important public input and strong enforcement. The Aggregate Resources Act is not broken; it just needs to be tinkered with to meet today's demands by business and communities.

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We believe that corporate social responsibility is also essential. We must all work with ENGOS, NGOs and local communities to ensure a stable aggregate supply that is sensitive to local concerns, and our cement companies do just that.

I will leave you with two last messages. The government must take action now to enhance business certainty and to ensure access to local aggregates so we can remain, in Ontario, sufficiently competitive to retain growth and investment. At the same time, we must increase public confidence by facilitating dialogue and partnerships between industry, environmental groups and local communities.

Once again, thank you for allowing us to share our views.

**The Chair (Mr. David Oraziotti):** Okay, thank you for your presentation. Ms. Scott, go ahead.

**Ms. Laurie Scott:** Thank you very much for appearing here today. You said in your comments, "We need to confirm and support a close-to-market supply." Do you have any ideas of how we can do that? We've heard both sides and we're going to continue to hear both sides, and it is a difficult question for the producers and the users. Do you have any ideas?

**Mr. Michael McSweeney:** By working with local communities, by working with agricultural groups, by working with all of the local people involved. It takes everybody in the area where a permit application is being filed to work together in advance of the permit being filed.

**Ms. Laurie Scott:** So can I say, on the official plan—so the municipal official plans that are out—I come from Kawartha Lakes, which was mentioned. My whole riding is a large aggregate producer. Should there be some type of signoff? We've had maybe a pit or quarry licence for a long, long time and then, all of a sudden, you get new homes being built but there wasn't the time for the extraction to occur till the market was ready. Right? So is there some type of signoff, do you see, working with the municipal official plans, and the province has to say, "SAROS has been done, so now we have a pretty good inventory of aggregate in the province"? Do you see something like that?

**Mr. Michael McSweeney:** As a former city councillor myself, I can tell you, I just loathe NIMBYism. Former Minister George Smitherman, when he put in the green energy and environment act, said that they're going to do things that are required and they're not going to let NIMBYism play a part in it. If a subdivision has been approved by a municipality after a pit and quarry has been approved, then it's incumbent upon the developer and the municipality to let those people know in advance that they're placing their hard-earned money into an investment that is located beside a pit or a quarry. They cannot come in after a pit and quarry has been established and then complain about that. That's just not on.

**Ms. Laurie Scott:** Yes.

**The Chair (Mr. David Oraziotti):** Thank you very much. Next question: NDP caucus. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Thank you, Mr. Chair. Michael, on page 4, you say that these former pits and quarries are rehabilitated back into the landscape and available for public enjoyment. What we know is that half of these pits that have been quarried have not been rehabilitated, and with those that are, communities state concern about what that rehabilitation means. So clearly, with half not rehabilitated and others not to the standards that the community would wish, there's a problem here.

You talk on page 6 about, "We believe in working with the local communities to address those concerns in advance and to highlight the net gain to natural heritage



systems through land rehabilitation,” but my sense is, if that’s not happening, I’m not getting a good feeling about your ability to work with communities on this. And without them, we have a problem.

**Mr. Michael McSweeney:** You know, 50, 60 years ago, when quarries were approved and plans were put into place, times were different. I think if you look at any pit or quarry that has been recently permitted, there is a plan for the start-up of the quarry, the use of the quarry and the end of life of the quarry. So while we cannot make up for the gross inadequacies that may have taken place in the past, we have to look at it going forward.

**Mr. Rosario Marchese:** Right.

**Mr. Michael McSweeney:** I can assure you, in listening to other questions that you’ve made, as a former CEO of the Standards Council of Canada, the vast amount of regulation in this country is done by voluntary certification and voluntary standardization, and it does work.

**Mr. Rosario Marchese:** I see.

**The Chair (Mr. David Oraziatti):** I need to move on. Thank you. Mr. Colle, go ahead.

**Mr. Mike Colle:** Thank you, Michael. Where were you a city councillor, may I ask?

**Mr. Michael McSweeney:** In Ottawa.

**Mr. Mike Colle:** Oh, in Ottawa. Good. Westboro, or where?

**Mr. Michael McSweeney:** No, Alta Vista.

**Mr. Mike Colle:** You made a very good point there: that before 1997, there were no rules. There were basically municipal rules, and the quarries were never rehabilitated. But as a result of the legislation, there is rehabilitation mandated, right?

**Mr. Michael McSweeney:** Correct.

**Mr. Mike Colle:** I just wanted to put that on the record.

The interesting thing that you did mention is about the 200 cranes in the sky and about certainty for industry. I agree with you, but it seems the way things are right now, the industry is not suffering. I mean, we’ve got more cranes in the sky here in Toronto than all of North America combined. So what else does industry need if they’re doing so well and building so much right now, certainly in the GTA, anyway? It’s like we’ve never had it so booming, as they might say.

**Mr. Michael McSweeney:** Well, there are 206 cranes in the sky here in the GTA. That’s more than Shanghai, so you’re bang on on that, but if I could be as brash as to suggest the GTA is not Ontario. I mean, what about Windsor? What about Ottawa? In our industry alone, we’ve lost 40% of our market. That’s a lot of families without breadwinners in the family. So while the GTA is doing well now, that’s a microcosm, and we can’t just look at the GTA as indicative of the whole province.

**Mr. Mike Colle:** So we need to spread the cranes, and I think a lot of people would be supportive of that, throughout the province—

**Mr. Michael McSweeney:** And not just look at Toronto. I’m very proud, being from Ottawa, of the GTA and our provincial capital. It is a world-class city, and we

need to keep developing a world-class city. But we also remember that we’ve got cement plants and concrete plants and pits and quarries in almost all 107 ridings across the province. So while Toronto is doing well, there are many areas of the province that aren’t.

**Mr. Mike Colle:** That need cranes.

**Mr. Michael McSweeney:** That need cranes.

**The Chair (Mr. David Oraziatti):** Okay, thank you. We appreciate you coming in today. That’s the time for your presentation.

**Mr. Michael McSweeney:** Thank you, Mr. Chairman.

**The Chair (Mr. David Oraziatti):** Okay, folks, the next presentation is the Ontario Professional Planners Institute.

**Mr. Mike Colle:** We’ve got more than enough here. I’m sick and tired of seeing all these cranes.

**The Chair (Mr. David Oraziatti):** Send some to Sault Ste. Marie.

**Mr. Mike Colle:** I can’t even see the sky anymore.

**The Chair (Mr. David Oraziatti):** Send some to the Soo.

*Interjection.*

**Mr. Mike Colle:** I want to send them all over. Everywhere I look, there’s a crane.

**The Chair (Mr. David Oraziatti):** We’ll take the cranes in the Soo.

## ONTARIO PROFESSIONAL PLANNERS INSTITUTE

**The Chair (Mr. David Oraziatti):** Good afternoon and welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. Time you don’t use will be divided among members. Just simply state your name for the purposes of our recording Hansard, and you can start when you’re ready.

**Mr. Paul Stagl:** Thank you very much, Mr. Chairman and members of the standing committee. My name is Paul Stagl. I’m the president-elect of the Ontario Professional Planners Institute. I have with me Mr. Rowe, who will be making a presentation on behalf of the institute to you. I also have with me Ms. Loretta Ryan, who is the director of public affairs for the institute.

OPPI, as you may recall, is the recognized voice of Ontario’s planning professionals. It’s the governing body for approximately 4,000 of our professional members, roughly two thirds of which are registered professional planners in the province of Ontario. We’re delighted today and appreciate the opportunity to speak to you about your review.

OPPI recognizes the important role aggregates have to play in enabling development of infrastructure that supports growth. A number of our members are on the front line when aggregate applications are being reviewed. We work with proponents; we work with review agencies; we deal with community concerns and policies to protect our natural heritage and water resources. So we have a very good familiarity, working familiarity, with the act.



Mr. Rowe is the leader of the environmental working group of the institute's policy development committee. He practises day to day in this area and has been working with a group of our professionals, volunteers, to prepare a submission for you today.

**Mr. Steven Rowe:** Thank you, Paul, and thank you to the committee for this opportunity to present to you.

In preparing this submission, we consulted with a number of other OPPI members, ranging from people who work for the development industry to people who work for community groups, so we believe we've found sort of a consensus of quite a wide range of views within the profession. I believe that you've been circulated with a copy of our presentation, and I'm going to summarize that for you.

We feel that this review of the Aggregate Resources Act is very timely. It's 15 years since there have been major changes, and since that time there have been broad changes in the policy and legislation surrounding the Aggregate Resources Act that relate to aggregates, the complexity of the engineering solutions that people are developing to respond to that policy, the time frame for managing rehabilitation and post-extraction environmental effects, and best practices that have been developed by aggregate operators that now need to be pulled more into the mainstream.

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We've interpreted the mandate quite widely. It is a review of the Aggregate Resources Act, but the act itself is quite general. We've interpreted it to include the regulation and the provincial standards, which implement a lot of the things that you find in the act.

I have three themes to present to you this afternoon. One is to ask that you undertake your review in the context of all the other legislation and policy that has to go into a review of an aggregate proposal. Also, there is a need for a comprehensive review of the provincial standards for aggregates and, finally, agency review of aggregate applications—some pointers on that.

In relation to related legislation, there are a number of pieces of legislation that run in tandem when an aggregate proposal goes through the process. There's the Planning Act, which deals with the principle of the extraction use, and it's a municipal planning decision, as well as the Aggregate Resources Act, which is more to do with the details of what goes on in the site, and the haul route, which is the Ministry of Natural Resources. They usually run concurrently using the same reports and information base, so there's an opportunity there to integrate those processes in terms of timing of consultation of various reviews and events that happen.

Under the Planning Act, we have the provincial policy statement that affects aggregate resource protection, siting, water resources, natural heritage, agriculture—all things that are relevant to aggregate approvals. It's unfortunate, in a way, that that's currently under review at the moment. So there's a bit of an element of uncertainty as to what you're trying to harmonize with, as you move

forward, between the aggregates and the provincial policy statement.

There's other legislation relating to technical approvals—things like noise, air quality, endangered species, drinking water—that has to be considered at the same time. Now we have the introduction of a new element, the designation of the Melancthon quarry under the Environmental Assessment Act, and it remains to be seen how that's going to fit with the other approvals, because the EA process is intended to be a process to identify a proposal at the end of that process in terms of need and alternatives, whereas in this instance we already have a proposal. So it's going to be interesting to see how the environmental assessment process works around that.

The next element of what I was hoping to say to you is to do with the comprehensive review of provincial standards. It's on page 4 of the presentation that I've provided. We need to bring the practice up to date in the 15-year-old document to reflect current policy, as I went through just now, and to reflect current mitigation approaches and best practices. I have a number of sub-themes that I'd like to deal with.

One is dealing with the complexity of the—I'm mostly talking here about the larger aggregate applications rather than the small-scale independent operations, but there's a lot of concern about this being a complex and duplicative process. In response to policies to protect wetlands and water resources, we're now getting engineered solutions in response to those policies, like groundwater recirculation to protect aquifers and wetlands, and grouting that prevents moisture from moving too quickly through the rock, that are quite complex and need to be maintained over long periods of time. We're now moving into adaptive management plans. Rather than legislated standards that have to be met, it's a process for determining what to do now in response to new elements as they arise over a period of time, because things are complex in a way that we can't predict exactly what is going to happen. So there's a new level of sophistication there.

As planners, we feel there's a need here to apply the precautionary principle: that we can't go hook, line and sinker into these solutions necessarily, because it's unpredictable as to how they're going to unfold. A lot of these solutions also require work that goes a long time beyond the period when the licence expires in terms of pumping and water diversion and things like that. They require long-term technical arrangements in terms of inspections and monitoring, institutional arrangements in terms of agencies having to supervise these things, and long-term financial arrangements as well. Ultimately, there's a risk that if something really goes wrong that isn't predicted originally, there's a financial risk there that can end up in public hands.

The next element in terms of the aggregate standards review is public consultation and transparency, which is on page 6 of the institute's submission. We're simply saying that a lot of good practices have been developed by aggregate proponents in terms of consultation, in terms of putting information on websites and holding in-



tensive public consultation. Those ought to be, again, brought into the mainstream and made standard practice, as opposed to something just simply done as a concession or as good practice.

We need to harmonize consultation process requirements, as I mentioned, under the various pieces of legislation, including the environmental registry process, which is also involved. There's also a feeling out there that the timelines are too rigid, especially the 45 days at the beginning, and the two years. With the complexity of these projects, sometimes everyone, even working co-operatively, finds it very difficult to achieve those timelines.

**Best practices:** These things seem very mundane, but simple things like washing truck wheels before they go off the site; road sweeping; methods of computer phasing of blasting so that it has less impact; rubber screens for sizing the material, instead of metal—it's a lot less noisy—a lot of these practices could go into the provincial standards that aren't there now. They're things that have come along in the last 15 or so years that are very worthwhile, especially for larger applications.

**Haul routes** are outside the licensed area for the quarry, so it's a little bit ambiguous, a little bit uncertain, as to how they get regulated. But in all the instances that I've been involved in, they've been a major public concern in terms of levels of traffic—rural back roads suddenly becoming busy truck routes. There are no noise standards for traffic on truck haul routes or aggregate haul routes, so there can be a very radical shift in impact that people have to deal with.

There are also issues, as I was hearing just now, in terms of levies and improvement cost agreements. There's also something that I've come across in my work. Where an environmental assessment approval is required for a road improvement, sometimes the municipality, which is the only entity that can initiate this, can sit on its hands if it opposes a quarry or a—

**The Chair (Mr. David Oraziotti):** Sorry, I need you to wrap it up briefly. If you want to just conclude, that would be great, and then we can get to some questions.

**Mr. Steven Rowe:** Okay, thank you.

For agency review, we need to reduce duplication through joint agency review teams, which is already in use. We need provision for agencies to undertake things they need to do early in the process rather than late in the process, which is a source of delay. And there's a need to update licences periodically.

That concludes my presentation, sir. Thank you.

**The Chair (Mr. David Oraziotti):** We appreciate your comments. We've got a few more minutes to discuss this. The NDP caucus is first. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** It's a comprehensive report. I will set it aside and reread it when I have time. Do you comment at all on levies and the infrastructure costs that municipalities face on recycling? Do you have a comment on any one of those?

**Mr. Steven Rowe:** We do have a comment. In instances that I've found, sometimes—I think, really, we're mostly talking about a truck route between the aggregate facility and the nearest arterial road or county road that's intended to take that level of traffic. Often, those routes can go through more than one municipality, and the municipalities don't necessarily get the benefits. That's one issue around that.

We don't go into the details of what the levies should be, necessarily.

**Mr. Rosario Marchese:** What about recycling?

**Mr. Steven Rowe:** Hmm?

**Mr. Rosario Marchese:** Recycling.

**Mr. Steven Rowe:** We have a comment on recycling, just generally encouraging it. There's some feeling that recycling should be permitted on an aggregate site for as long as it persists, with some provision for terminating it when the aggregate use ends.

**Mr. Rosario Marchese:** The problem is, there are many challenges with recycling, obviously.

**Mr. Steven Rowe:** There are, yes.

**Mr. Rosario Marchese:** The industry isn't doing much; they should, or could. The government isn't encouraging it very much; they could and should. Municipalities in general don't have much expertise, and they could do more, but they're not. It's complex, right?

**Mr. Steven Rowe:** It's complex. We're mostly dealing with a land use issue, or the compatibility of the land use with the surrounding area, mostly from that aspect. It's certainly an interest of mine, but I'm just trying to deal with things in a land-use-planning kind of way in the presentation.

**Mr. Rosario Marchese:** If you have a more detailed analysis of any one of those points, could you send that too?

**Mr. Steven Rowe:** Yeah. I don't have a detailed analysis on the recycling aspect.

**Mr. Rosario Marchese:** Very good. Thank you.

**The Chair (Mr. David Oraziotti):** Okay. Mr. Colle?

**Mr. Mike Colle:** Thank you for the very comprehensive report. I think it's going to be very helpful because of the detailed analysis you've done. I really welcome it.

1520

The only thing is, it's very depressing. There are so many acts, so many ministries. We're looking at the tip of the iceberg here, and it would be ideal if we could get this coordination, a joint agency review approach taken. But I don't think that's going to happen in our lifetime. That's why, if you could think about it—because I think you've looked at the macro issues here. There are some very doable things I think you've mentioned in the short term, like haul routes not being monitored, and maintenance etc. If you could try and condense this down to some quick upfront doables as the first phase of some of these changes and blending coordination of different ministry activities; if you could take your time and maybe send it back to the committee. Just break it down into two sections, the more long-range and the more im-



mediate, that we could maybe recommend in this review. Not to say we wouldn't do the long-range, but certainly try and give some of those upfront things we might be able to do very quickly and in an immediate way.

**Mr. Steven Rowe:** I can certainly do that.

**Interjection:** You want to cut and paste the ARA.

**Mr. Mike Colle:** No, you've got to do what you can do. Let's not dream. We've got to help these people out. They're dealing with serious issues.

**Mr. Steven Rowe:** You mentioned the agency review teams. I've actually worked on coordinating two of those, and they do work quite well.

**Mr. Mike Colle:** I would appreciate that. Thank you.

**The Chair (Mr. David Oraziotti):** Ms. Jones, go ahead.

**Ms. Sylvia Jones:** Thank you. There are a number of questions that I wanted to ask you. On page 3, you make reference to integrating the acts, and you specifically talk about the PPS itself as currently under review. I think perhaps you're being kind. We've actually had all the public consultation for well over a year, and we're waiting for some kind of response back from the government. So to say it's still under review—I think you're being generous. Maybe we could get that as part of our discussions.

On page 5, you make reference, under "Dealing with complexity," that the precautionary principle should be applied in reviewing quarry proposals. Do you know where else in the world the precautionary principle is used for development permits or applications?

**Mr. Steven Rowe:** Not so much for aggregates. A lot of my background is in environmental assessment. A lot of those old hearings in the 1980s applied the precautionary principle to things like hazardous waste and things like that.

**Ms. Sylvia Jones:** Yes, I'm familiar with it in the environmental assessment area. I'm not familiar with it in aggregate and development, so I'm wondering if you can—

**Mr. Steven Rowe:** I do believe it needs to be brought into play here, because a lot of the long-term solutions—when you're constantly pumping groundwater through limestone—it's called karst—there's a possibility of opening up fissures, changing the speed that you're pumping. A lot of unpredictables start to arise in terms of protecting wetlands and things like that.

**Ms. Sylvia Jones:** So when EA is triggered, for example, you could then argue for the precautionary principle?

**Mr. Steven Rowe:** It's not necessarily just for EA; it can be applied for other things. I have some questions about applying EA to aggregates because, in its fullest form, it requires a selection process of aggregate sites from right across the province, for example. Private proponents find that difficult to deal with. There may be some kind of hybrid approach that can work.

I'm a little bit concerned with the Melancthon thing because the two poles don't seem to be getting any

closer. We have a very distinct proposal, but we're not seeing how the EA process is going to address that.

**Ms. Sylvia Jones:** Of course, we haven't seen anything in terms of the terms of reference for that EA, so I guess we're all starting on new ground.

Do I have a little more time?

**The Chair (Mr. David Oraziotti):** Very briefly.

**Ms. Sylvia Jones:** Thank you for your presentation.

**Mr. Steven Rowe:** Thank you.

**The Chair (Mr. David Oraziotti):** I appreciate that; thank you.

We appreciate you coming in today. That's time for your presentation.

**Mr. Steven Rowe:** Thank you very much.

**Mr. Paul Stagl:** Thank you.

## ONTARIO GOOD ROADS ASSOCIATION

**The Chair (Mr. David Oraziotti):** The next presentation: the Ontario Good Roads Association. Good afternoon. Welcome to the Standing Committee on General Government. As you know, you've got 10 minutes for your presentation. The time you don't use will be divided up. Just start by stating your name.

**Mr. Scott Butler:** Thank you. I promise to be brief. My name is Scott Butler. I'm the manager of policy and research for the Ontario Good Roads Association, otherwise known as OGRA.

The Ontario Good Roads Association represents the infrastructure interests of municipalities through advocacy, consultation, training and the delivery of identified services. Given that our concerns are focused on these objectives, generally we don't comment on land use or resource issues. However, recognizing the significant impact of the aggregate extraction industry and its impact on Ontario municipalities specifically, my board of directors felt it was imperative to weigh in on this particular issue.

The ultimate success of any long-term best practice or constructive sustainable solution for the aggregate industry in Ontario is going to require the leadership of Ontario municipalities. Interest around this issue was galvanized following a study undertaken by the city of Kawartha Lakes in 2011. The study indicated that the city was coming up with a shortfall of between \$2.5 million and \$5 million a year, based on the aggregate resources extraction that was taking place within its municipal boundaries.

OGRA has devoted a considerable number of resources to ensuring that, in stewardship of our roadways, every effort is made to mitigate the financial, social and economic costs associated with maintaining these networks. Our leadership on road salt is an example. As an association, OGRA and its member municipalities agreed that they want to apply these same objectives to aggregate extraction. Currently, the aggregate royalties program transfers approximately \$20 million back to provincial and municipal governments, and it's



worth taking a look at what this actually means on the ground.

In February 2012, the Highland Companies, proponents of the mega quarry in Melancthon township, presented to council there. They noted that the quarry, if approved, would extract approximately 10 million tonnes per year. Under the current system, that's six cents per tonne or \$600,000 that would be going back into the township's coffers each and every year. That said, Highland actually advocated for increasing the royalties, similar to what you see in Quebec, so we'd be looking at approximately 50 cents per tonne. Under this configuration, that \$600,000 automatically transfers itself into approximately \$5 million per year for that particular township. I should draw your attention to the fact that in 2010 the township recorded revenues of \$2.5 million.

So, not surprisingly, for many cash-strapped municipalities these funds would be a vital source of revenue that would allow them to continue to address their infrastructure deficits while also allowing them to offset many of the associated costs that come with the wear and tear of having aggregate pits in their boundaries.

To that end, OGRA has two recommendations that I'd like to leave you with. First, we support the efforts to have the aggregate royalties program amended so that the program provides affected municipalities with the means to recover the costs associated with aggregate extraction. Those costs, we see as holistic costs. Second, OGRA would support an increase on the royalty fees program, contingent on these funds being dedicated to the rehabilitation of affected municipal and provincial infrastructure. Thank you.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. Mr. Colle?

**Mr. Mike Colle:** You talk about revenues to the cash-strapped local municipalities, but I guess what seems to be happening, though, is that, even though the revenues are very needed and very attractive, people are saying that the cost of those revenues, in terms of quality of life and water quality and dust, is not worth it.

**Mr. Scott Butler:** That's true.

**Mr. Mike Colle:** So isn't there something, basically, that it seems to me, with all this friction and the confrontations happening right across the province—and I think, whether it's the cement association or the aggregate producers, the proponents, in good conscience, are trying to do the best they can. Let's assume that. There's obviously some kind of impasse here, whereby the good work you're trying to do, or the good work that the proponents are trying to do, and offer up resources to the local municipalities—there is obviously a real pushback, and they don't want to pay that price. We're at real loggerheads.

Don't you think we need to find ways of dealing with this reality and going beyond just a matter of, "Here are the revenues, and be quiet"? We've got to maybe find ways of getting to where people are rationally coming to some process where they may not always agree but at least it's a more tempered, long-term, quality-of-life

approach to a necessity, which is aggregate. We all know it's a necessity. So I'm just saying, don't we need to find something to get this going?

**Mr. Scott Butler:** I would agree wholeheartedly that we need to find something. I suspect that that solution is rather elusive, or else it would have been employed already.

What we're seeing is, municipalities are under the gun, almost from a legal point of view—you would have heard from Marolyn Morrison. She detailed the extensive—I think it was almost \$7 million they spent fighting aggregate extraction. A township like Melancthon simply doesn't have the resources. They know that they can just be more or less brought to heel based on legal fees alone. Leadership's going to be required for it, and I assume that's why we're all here today.

1530

**Mr. Mike Colle:** Thank you.

**The Chair (Mr. David Orazietti):** Ms. Jones, go ahead.

**Ms. Sylvia Jones:** I'm going to let my colleague Mr. O'Toole take most of the questions, but I don't want to leave the impression that Melancthon township has been successfully encouraged to not actively stand up for their residents when it talked about the proposed quarry. They in no way have been swayed by the potential proposal of 50 cents a tonne, and I don't want the committee to be left with that impression. Melancthon can speak for themselves, and they will be in a few more deputations, but I want the committee to be very aware that the entire council has been very active on this file and are in no way being cowed by proposals or intimidation, factual or otherwise.

**The Chair (Mr. David Orazietti):** And we're going to hear from—

**Ms. Sylvia Jones:** Mr. O'Toole.

**Mr. John O'Toole:** Yes, thank you very much. Pretty much on the same thing, you make the point on the royalties. We heard that from the TAPMO group, and they made the same illustration. Certainly that, I believe, would be important.

The other one—I think I represent this as my main interest—is the whole rehabilitation thing, which does affect, to a large extent, the close-to-market people. Some of them have been well mined out. Do you have anything to suggest on the rehabilitation side, or is this going to be brought up on Ontario Good Roads? Those are important dialogues, both with ministry as well as municipal people regionally. Do you have anything or have you—

**Mr. Scott Butler:** No, we see the rehabilitation—when you're talking rehabilitation, you're talking of pits or quarries, correct?

**Mr. John O'Toole:** That's right.

**Mr. Scott Butler:** We've stayed silent on that. That's really not our area of expertise. Certainly we've encouraged any sort of efforts to move forward on that. We know of examples. The Arboretum at the University of Guelph probably is one of the primary examples of a successful rehabilitation. But for the most part as an organ-



ization we have not decided to take an opinion on that one way or the other.

**Mr. John O'Toole:** You didn't leave a written presentation today?

**Mr. Scott Butler:** No; I'll be submitting.

**Mr. John O'Toole:** You will be forwarding one, right?

**Mr. Scott Butler:** Yes.

**Mr. John O'Toole:** Very good. Thank you.

**The Chair (Mr. David Oraziotti):** NDP caucus. Mr. Marchese?

**Mr. Rosario Marchese:** As I understand it, you're sticking to two areas, Scott.

**Mr. Scott Butler:** Yes.

**Mr. Rosario Marchese:** One, cities have a problem in terms of infrastructure spending and therefore—

**Mr. Scott Butler:** Townships as well. I wouldn't just define it as cities; I would say all municipalities.

**Mr. Rosario Marchese:** All municipalities—quite right. Therefore, by consequence, we should increase the levies, although you don't talk about how much, but that we should increase them, and that would obviously support municipalities and that levy could also be used for rehabilitation. That's the extent of the presentation; is that correct?

**Mr. Scott Butler:** That's correct.

**Mr. Rosario Marchese:** You don't have an opinion on anything else related to all this?

**Mr. Scott Butler:** Well, no, we have lots of opinions, but we were focusing specifically on that. We want to make sure that when aggregate is extracted from a quarry or a pit, the costs associated with the wear and tear on municipal infrastructure are accounted for.

**Mr. Rosario Marchese:** I understand. Sure, sure.

**Mr. Scott Butler:** That's our primary objective.

**Mr. Rosario Marchese:** But you don't comment on self-regulation or on recycling?

**Mr. Scott Butler:** Certainly on recycling we've had lots of different positions that we've staked out. We think it's a viable option. We're fortunate to have a member of staff who has a Ph.D. in civil engineering, and his dissertation from Waterloo was on aggregate recycling. He's a strong, ardent, vocal proponent of recycling.

**Mr. Rosario Marchese:** He is.

**Mr. Scott Butler:** Yes, he is.

**Mr. Rosario Marchese:** Does he speak for the organization or for himself?

**Mr. Scott Butler:** He does on that particular issue.

**Mr. Rosario Marchese:** On that issue he speaks for himself?

**Mr. Scott Butler:** Now, that said, it's contingent on the type of project that's being undertaken. Where it's viable, we wholeheartedly agree with and endorse recycling of aggregate.

**Mr. Rosario Marchese:** Got you. Could we get that report from that Ph.D. person?

**Mr. Scott Butler:** I can see what I can do for you.

**Mr. Rosario Marchese:** That would be great. Thank you.

**Mr. Mike Colle:** Can we ask the Ph.D. person to make a presentation? I'll move that. Do you agree?

**Mr. Rosario Marchese:** Absolutely.

**Mr. Mike Colle:** Have him come in later on.

*Interjections.*

**Ms. Sylvia Jones:** We might need more time for that—extensions.

**Mr. Mike Colle:** Yeah, well, you voted against the extra two days here.

**Ms. Sylvia Jones:** We could go to him, travel.

**Mr. Mike Colle:** You can't have it both ways, you know. You voted against the two extra days.

*Interjections.*

**The Chair (Mr. David Oraziotti):** All right. Thank you for coming in. Your time is finished.

*Interjections.*

#### MS. CHRISTINA WIGLE

**The Chair (Mr. David Oraziotti):** Next presentation: North Dufferin Agricultural Community Task Force.

**Mr. Mike Colle:** Is the Ph.D. guy coming or not?

**The Chair (Mr. David Oraziotti):** The members are getting restless.

Thank you, ma'am, for coming in today. We appreciate you being here. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. You can simply start by stating your name and proceed when you're ready.

**Ms. Christina Wigle:** Thank you for the opportunity to speak to the committee regarding the ARA. My name is Christina Wigle. I am down as a representative of NDACT; however, I'm a volunteer with NDACT. Carl Cosack, who is the chair of NDACT, will be giving the official—

**The Chair (Mr. David Oraziotti):** If you want to just move the microphone a little bit closer to you.

**Ms. Christina Wigle:** A little closer?

**The Chair (Mr. David Oraziotti):** Thank you. Great.

**Ms. Christina Wigle:** Carl Cosack, who is the chair of NDACT, will be giving the official presentation for NDACT.

I'm here as a very concerned citizen. I live in Toronto. I have lived all my life in Ontario, as have my parents, grandparents and great-grandparents. My husband, all three children and four grandchildren have all been born in Ontario, and all of them live here except for one son who doesn't.

I must confess that I never really gave much thought to aggregates before a couple of years ago. A couple of years ago, I was at the Creemore Farmers' Market and I happened to stop at the NDACT booth there. I learned about the mega quarry that's proposed for Melancthon township. There have been a few references to this, but I learned that an application for a mega quarry on 2,316 acres—that's about a third of the size of downtown Toronto—was being proposed by Highland Companies and backed by a multi-billion-dollar Boston hedge fund, a group of investors with absolutely no experience in



quarrying. I was absolutely appalled, and the more I learned, the worse it seemed. I could not believe that such a proposal would even be considered.

The risk to the water is enormous. It defies common sense to think that you can blast down 200 feet below the water table, pump out 600 million litres of water per day, hold it for three days and then pump it back into the water system that's used by up to one million Ontarians, all without contaminating the water by the sediment from the 20 tonnes of explosives that are used per day, the quarry operations, bird droppings, whatever you have—and that's let alone human error. Contamination, I should say, could spread very quickly in this location because the aquifer is of a Karst formation, similar to that of Walkerton.

In addition, it would involve holding 1.8 billion litres of water per day. No company should be allowed to control that much of our water, particularly, I think, an American company, which could have NAFTA implications. And then to think that this must be done in perpetuity boggles the mind. Who believes that the proponents, Highland, or their successors will do that in perpetuity? If the mega quarry were approved, future generations of Ontario will end up paying for this forever. As one opponent of the mega quarry said in his submission, this proposal would "privatize the profits and socialize the costs."

The water issue alone should be enough to prohibit the mega quarry, but in addition, the land that Highland proposes to blast consists of 2,316 acres of prime, class 1 farmland. Only one half of a per cent of Canada's land-mass consists of prime, class 1 farmland. Highland claimed in its submission that the land can be rehabilitated to farmland, but I don't think anyone believes this. One hundred years from now, this land will either be continuing to supply food for the GTA, or, if the wrong decision is made, it will be a huge ugly pit of worthless land, affecting all of the land around it, as well as being a huge expense to the people of Ontario.

**1540**

Time does not permit me to list all the other negative effects of this quarry: the effective expropriation of the highways with 300-plus truck journeys per hour, safety issues, the noise, dust, pollution, the threat to the area's very important tourism industry etc. As a professor at U of T said, if someone set out to deliberately blast a quarry in the worst possible place, this would be it.

It was hard for me to believe that such a monumental proposal as the mega quarry was exempt from environmental assessment under the current system and only became subject to an EA on the pre-election promise of the Premier. Clearly, the time has come to do a complete overhaul of the outdated ARA and the provincial policy statement.

I was so appalled by what I'd learned that I have become a volunteer with NDACT. We are committed to increasing public awareness about this very dangerous proposal and the current and outdated regulatory system. The volunteers have organized events such as peaceful

demonstrations, art shows, marches and walks. I think everyone has heard of Foodstock, organized by the famous chef Stadtländer, which attracted 28,000 people to a farmer's field near the proposed quarry on a cold, windy and wet day last October. We are organizing another event, StoMp the Mega Quarry, on July 28, and I hope you'll all come. Many volunteers, and particularly Carl Cosack, the head of NDACT, have spoken on TV and radio, most recently a farmer who refused to sell his land. We have manned booths at farmers' markets and exhibitions, both in the countryside and the city. I can tell you that everyone I have spoken to about the mega quarry is absolutely horrified.

"Stop the Mega Quarry" and "Save Our Water" signs are sprouting up all over, not only in the countryside but in Toronto and other urban areas. My hope is that this mega quarry has such profoundly negative risks that it will provide the catalyst for a true reform of aggregate policy.

No one disputes the need for aggregate, but the province must start by determining the need. As Gordon Miller pointed out in his excellent presentation, the provincial policy statement specifically says that "need cannot be a criterion of the approval process." That doesn't make any sense. For example, the two largest quarries in Ontario are on Manitoulin Island. It's my understanding that most, if not all, of that aggregate is shipped to the United States. Why would we rip up our country to pave the roads in another? Why is this aggregate not shipped to the GTA, not the USA?

As Commissioner Miller argued, aggregate must be shipped by train or ship, preferably the former. We cannot continue to move it by truck on our already congested highways. Aggregate is a non-renewable resource, and, as Commissioner Miller points out, quarries "permanently and profoundly restructure the land, its hydrology and its living systems."

Moreover, although quarries are supposed to be rehabilitated, many, and perhaps most, are never rehabilitated; we've heard that here. As the commissioner points out, this cannot be considered an interim use of land. We have a responsibility to future generations to use the aggregate in Ontario in the most sustainable way, and to date we certainly have not been doing that.

The people of Ontario and its future generations expect this government to protect its future, and—

**The Acting Chair (Mr. Michael Coteau):** One minute left.

**Ms. Christina Wigle:** Thank you—it is imperative that our valuable land and water be protected and our aggregate supply be used in the most sustainable fashion. To this end, the legislation must be changed to protect valuable farmland and to protect our water. I think the specific things that we want will be outlined in the NDACT presentation by Carl Cosack.

In conclusion, I would like to say that the Environmental Commissioner has provided an excellent starting point for a sustainable future for aggregate resources, and I trust the government will do the right thing.



**The Acting Chair (Mr. Michael Coteau):** Thank you very much. We'll start with the PC caucus.

**Ms. Sylvia Jones:** Thank you for your presentation, Ms. Wigle. Based on the last page, where you make your six recommendations, would I be correct in saying that extraction under the water table is a bigger concern for you than the size of the proposal? The trigger for an EA, in your opinion, is in fact extraction under the water table, not the size of the proposal.

**Ms. Christina Wigle:** Well, if it's going to affect the water used by people, then it doesn't matter whether the quarry is 100 acres or 2,300 acres; it's going to pollute it anyway. I think the problems that it would cause are more important than the size—although I think this is a terrible proposal: 2,300 acres of prime farmland. So it's a question of both the size and the negatives of it.

**Ms. Sylvia Jones:** Okay. Thank you for your presentation.

**The Acting Chair (Mr. Michael Coteau):** Next: NDP caucus.

**Ms. Sarah Campbell:** In the third point of your requested changes to the legislation, you state that you would like to see an environmental assessment be mandated for all new or expanding aggregate operations. Do you have any concerns about the fact that one licence seems to be required for the lifetime of a site even though it can have periods of inactivity?

**Ms. Christina Wigle:** I don't think I'm qualified to answer that question. I think there are other people who can give you a better answer.

**Ms. Sarah Campbell:** I'm just wondering if you find that concerning. You talk about the need for an environmental assessment on new or expanding projects, but what about projects that have been dormant for a number of years and then start up? You don't have problems with that?

**Ms. Christina Wigle:** I can't answer that.

**Mr. Rosario Marchese:** I think a lot of us agree with many of the proposals that are here, particularly around aggregate extraction that goes below the water table. We have to determine the social costs to society. That's why you call for an environmental assessment on that kind of extraction. I think people agree with that. The designation of prime agricultural land, I think, is also important.

**Ms. Christina Wigle:** Absolutely.

**Mr. Rosario Marchese:** That's the need.

**Ms. Christina Wigle:** One of the people spoke before about the need for being able to get aggregates close to market. But I think if it's a choice, you need food more close to market. In most cases, they're not compatible.

**Mr. Rosario Marchese:** That's why another group talked about looking at different places. If extraction has to happen, we need to look at other areas where it's less sensitive, and this is—

**Ms. Christina Wigle:** Not on prime farmland.

**Mr. Rosario Marchese:** Right. I agree with that.

You talk about mandatory recycling. That's something a few of us are really pushing for.

**Ms. Christina Wigle:** I wanted to get to that, but I didn't have time.

**Mr. Rosario Marchese:** We agree with that. I'm happy that you're involved. It's great to see that. Thank you.

**The Acting Chair (Mr. Michael Coteau):** Thank you. Liberal caucus: MPP Colle.

**Mr. Mike Colle:** Thank you very much for a very professional presentation. You've really, I think, done it with passion and with a lot of knowledge. I really commend you for taking the time to be so caring about an important issue. I really thank you.

The question I was going to ask you—you mentioned conservation of aggregate as a priority. I've mentioned this before: What about dampening the demand for aggregates? People build all these swimming pools out of concrete and all these concrete towers in Toronto and these stone houses. Is there any way we can get people to understand that when they do this, they're basically asking for more quarries?

**Ms. Christina Wigle:** I think that's a pretty tough thing to do. Do you think you could convince your friends?

**Mr. Mike Colle:** I think it's tough, yeah. That's why I was asking for your help on this.

**Ms. Christina Wigle:** I think that would be really tough.

**Mr. Mike Colle:** Yeah, I agree. Thank you.

**Ms. Christina Wigle:** I commend you as one of the first MPPs to ask for an environmental assessment of the mega quarry. Thank you.

**Mr. Mike Colle:** Thank you.

**The Acting Chair (Mr. Michael Coteau):** Thank you very much for your presentation.

1550

#### MUNICIPALITY OF WEST GREY

**The Acting Chair (Mr. Michael Coteau):** Next up, we have the municipality of West Grey.

*Interjections.*

**The Acting Chair (Mr. Michael Coteau):** Okay, guys, you can have the conversation after.

Welcome to the committee. As you're probably aware, a 10-minute presentation—

*Interjections.*

**Mr. Kevin Eccles:** Am I in the middle of question period here, or what?

**The Acting Chair (Mr. Michael Coteau):** I was going to say—a 10-minute presentation, sir, with five minutes for questions, split among us. Welcome.

**Mr. Kevin Eccles:** Thank you very much, and thank you for the opportunity to meet with you today.

I'm the mayor of the municipality of West Grey and a former warden of Grey county. As you probably are already aware, there has been an aggregate resource plan or schedule done. Grey county has 60% of the known aggregate resources in southern Ontario, and 60% of Grey county's aggregate happens to be in West Grey, my



municipality, so we're very aware of gravel pits. I've grown up and have lived beside gravel pits and sand pits all my life.

One thing that I'm very much aware of and very much know is that you can only extract aggregate from where it is. You can't just bring it out of thin air and get it someplace and bring it around. It has got to be extracted from where it is. The thought is that if we're going to extract it and it's going to be where it should be consumed—and I would like to say that the municipality of West Grey has many more aggregate licences and proposals coming forward than probably our planning department can handle at the present moment. But in saying that, we know that it is where it is and we've got to extract it. We're in the business of having it there, so we will be able to say, okay, let's do it, but do it in an environmentally sustainable manner as well as one that is going to bring the benefit to my community.

As we know, it's certainly going to be consumed largely in the GTA and more in the urban areas than it is in the rural areas. I guess the biggest thing that I would like to see, when we are looking at this, is that if we're going to be a feeder of that large consumption area, there be some process or some thought that we're not just fed upon—that we can gain from the rural economy on that aspect of it. If there's anything that is pushing there, that's what I would like to see, that if it's going to be used someplace, it's going to be paid for, that we derive some benefit out of that consumption that is going forward.

I have prepared the report, and I see that everybody is reading it. I'm not going to read it verbatim, but there are two aspects. One that is of a little bit of interest: I had a councillor come forward with one idea, that all aggregate resources should be municipally controlled, and that we go about that way. I bring that here as mayor. I don't bring that as my own personal thought that we do it that way. I think there are a number of problems that will arise coming out of that type of concept. But one of the things that is positive is that it would give local residents and weekend residents—because probably where most of our aggregate is, 50% of the landowners are non-resident—they're weekend residents—in Grey county. If we had a fixed spot and worked out from that, some way around that, individuals would know, on a map laid out for the next 30 years, what is going to happen and where the extraction is going to be, and not be surprised that, "We've bought a place and a year later there's going to be a gravel pit beside us." In saying that, of course, everybody has the aggregate resource mapping, to know that there's gravel where you're going to be building.

I still think that private companies possibly would be the best place to develop and make that development, but we've got to be able to work with those companies, to be able to go forward to maximize Ontario's continuing growth.

The aggregate industry is certainly the one that is the primary feeder of that growth. Whether it be in roads or whether it be in cement swimming pools or whether it be

in condominiums, we're certainly going to need our aggregates to be able to do that. We don't want to continually build and have to put up structures that are going to deteriorate in 25 years and have to rebuild them. We can recycle some of the aggregate resources that are out there and build structures that are primary, like this structure we sit in here today, and will be available for three or four generations to work in, to live in or to play in.

I have listed a couple of things in my presentation, but one of the most important things—because of time—to the municipality is the 11.5 cents that are out there. I've been talking to a number of aggregate resource producers and they, along with myself, are very much agreeable that the 11.5 cents that is taken as a deduction doesn't cut it, I guess, is the best way to put it. I have made a number of presentations to a number of ministers from MNR over the years that this should be increased. I know that it was increased a couple of years ago, but even at that level it certainly doesn't ease the angst that a lot of my ratepayers in Grey county and in West Grey, but a number of ratepayers across the rural areas, have, that they're not seeing the benefit from that deduction.

If we can have some money put forward into our coffers because we have to upgrade roads, we have to do that, I think it's a lot better idea to increase that fee and maybe even use it as a development charge type of thing, that we have that in the bank before we start, because it's a lot easier to have it in a reserve and get it up front than it is to come back to somebody later, after they've gone down the road, and ask them to come back and do some maintenance and/or repair on the damage to the infrastructure that's already happened.

The one other aspect that I would ask the committee to look at is that MNR, I believe, is very short on resources. It's not about licensing new pits; it's about having the ability to enforce what is in the site plans that are out there.

I'll give you an example. We have a lot of rehabilitation, the pit owners, and it only takes one apple, of course, to make the barrel bad. But pit owners, I believe, are doing a tremendously better job today than they were 25 years ago about refurbishing and rehabilitating their pits and quarries. I think that we need a little bit more oversight—a little bit less, maybe, on policy direction from MNR, and a little bit more enforcement. You can make all the rules, but if you haven't got anybody there to follow through with them—no matter how much paper you have to throw at it, you need some people and resources to move along with it.

Those are the two things.

I will offer out one thing. Maybe a lot of the site plans are developed by the municipalities, and the regulations or the enforcement that they follow through on come from MNR. As a municipal politician—I may get banged by a lot of my AMO compatriots when I say this, but maybe the enforcement aspect of it should be downloaded to the municipalities, with the right to be able to enforce their site plan agreements with the owners of the pits.



**The Acting Chair (Mr. Michael Coteau):** Thank you very much.

*Interjection.*

**Mr. Kevin Eccles:** I didn't say I really wanted it; I said it was an option, Mike.

**The Acting Chair (Mr. Michael Coteau):** Are you finished, sir?

**Mr. Kevin Eccles:** I could probably go on for another day and a half, but yes, I'll be finished.

**The Acting Chair (Mr. Michael Coteau):** Okay. Thank you very much for your presentation. We'll start with the NDP caucus.

**Mr. Rosario Marchese:** Thank you. We agree on increasing fees. I think that's a quick one.

**Mr. Kevin Eccles:** Check that one off.

**Mr. Rosario Marchese:** And everybody seems to agree.

We also agree, you and I, on the fact that MNR are sustaining incredible cuts in the last—I forget the accumulated period, but it's 40% reductions, which makes enforcement and oversight pretty bad. We agree on that. Whether or not it should be the municipalities doing that, given that they're short on money as well, I don't know. Clearly they are on the ground, so they would have an ability to see it, I suppose, but I'm not sure how many municipalities would love to have the power of enforcement and oversight when they're struggling with finances as well. I'll leave that as a comment.

The comment that I wanted you to speak to is the need—because you clearly support aggregates.

1600

**Mr. Kevin Eccles:** Yes.

**Mr. Rosario Marchese:** We need aggregate extraction. That was your point, and you said we have to do this environmentally. In your view, those two are possible?

**Mr. Kevin Eccles:** Yes.

**Mr. Rosario Marchese:** So when you heard the previous presenter talk about Melancthon and the problems of extraction and going below the water table and the effects it has on water, you believe that we can somehow deal with that or make it an environmentally positive experience?

**Mr. Kevin Eccles:** Right at the present moment, we have two aggregate operations in West Grey that are working below the water table. One of them has been working below the water table probably for 20 years now. They're still working in that spot, as well, but it has become a local fishing hole because they've put in trout and it has become a recreational facility. Yes, it can be done.

**Mr. Rosario Marchese:** So you might have seen studies that say this is fine, this is okay? What do you rely on?

**Mr. Kevin Eccles:** Part of it is my own experience of seeing it happen, and happen positively. But this is on a small scale. I'm talking aggregate resources taking out 300,000 tonnes, not a billion.

**The Acting Chair (Mr. Michael Coteau):** Thank you very much. Next, the Liberal caucus.

**Mr. Mike Colle:** I guess in the Melancthon quarry, you could probably have whales in it that size, compared to your trout.

**Mr. Kevin Eccles:** Killer sharks, at least.

**Mr. Mike Colle:** Mr. Mayor, I just want to go down this road with you of municipal stewardship. The concern I have with that—and I'm sure, being a mayor, you know that you're going to need resources to have the expertise to do site approvals, water quality tests, environmental impacts locally, which would be hard to pay for.

Then, the other thing: Aren't you going to have a hodgepodge of approaches if it's municipal oversight? Before the Oak Ridges moraine act came into play, you had all these competing municipalities for development dollars. You'd have King City, which would be very strict with their development proposals. Then you'd have people over there in East Gwillimbury, and they would be approving subdivisions galore because they wanted the money. So all over the province, you would have different types of approaches to what is an issue that affects everybody because it's affecting the water table and the underground aquifers. "They're travelling from one road to another municipality across your municipality, but he's getting the money or they're getting the money in fees, and we're not getting the money." "They approved it, we didn't approve it, and now we've got all the trucks coming through our municipality." I'm just giving you a forecast of what would happen if you went down that road.

**Mr. Kevin Eccles:** Part of that is exactly what's happening today as aggregates are being exported from Grey county through Dufferin county or through Simcoe county. Obviously, from where the pit is, the other communities are not getting any money right now.

**Mr. Mike Colle:** Is there a mechanism we could use to—

**The Acting Chair (Mr. Michael Coteau):** Sorry, I've got to go on to the next question.

**Ms. Sylvia Jones:** Thank you, Chair.

Does West Grey or Grey include aggregate mapping in your official plans?

**Mr. Kevin Eccles:** Yes.

**Ms. Sylvia Jones:** So if I was to want to purchase a piece of property, if I went to the township or the county, I'd be able to see where the resource is—not necessarily where there are applications, but where the resources are?

**Mr. Kevin Eccles:** Where the resource is, to the best of our ability. It was—well, I know it was one of my fellow councillors—probably eight or nine years ago that that full mapping was done.

**Ms. Sylvia Jones:** Okay. I won't go too much into the first point about collaboration or partnerships. There's a word for that, and I'm not real keen on "I invest in the land and then I let everybody else use it."

The second one, an increase in fees: Levies have certainly been discussed a lot already in this committee. Am I interpreting your suggestion as you would support an



increase in the fees if you knew or had some confirmation that a portion of the fee would be used for MNR staffing? Is that what I'm hearing?

**Mr. Kevin Eccles:** Yes.

**Ms. Sylvia Jones:** So you'd like to see some transparency in how those fees are used and ultimately be able to see the oversight.

**Mr. Kevin Eccles:** And rolled out. Correct.

**Ms. Sylvia Jones:** That's all I have. Thank you for your presentation.

**The Acting Chair (Mr. Michael Coteau):** Thank you very much.

**Mr. Kevin Eccles:** Thank you. It's been a pleasure.

### TOWNSHIP OF MELANCTHON

**The Acting Chair (Mr. Michael Coteau):** Next, I have Bill Hill. Welcome. Just for the record, can everyone state their name? As you've probably heard 10 times, there are 10 minutes for your presentation and five minutes for questions, divided by the three caucuses.

**Mr. Bill Hill:** My name is Bill Hill.

**Mr. Darren White:** My name is Darren White.

**Ms. Denise Holmes:** Denise Holmes.

**Ms. Janice Elliott:** Janice Elliott.

**Ms. Nancy Malek:** Nancy Malek.

**Mr. Bill Hill:** Mr. Chair and members of the committee, thank you very much for the opportunity to appear before you today.

I'd also like to congratulate you all for at least requesting an extension of time and venue to carry on more discussion on this very important topic. I would encourage you to ensure that your party leaders are aware of the wisdom of your decision.

The township of Melancthon is located approximately one and a half hours north of Queen's Park. We are at the headwaters of five major rivers: the Grand, the Nottawasaga, the Pine, the Saugeen and the Beaver. We are served by two conservation authorities, the Nottawasaga and Grand River conservation authorities. The water from our township provides drinking water to over one million people in Ontario.

Our township is dealing with an application by the Highland Companies for the rezoning of 2,316 acres of prime agriculture land for aggregate extraction below the water table. It is not my desire or intent to discuss that project in this forum, but to focus on the subject at hand.

We believe there are several changes required to the ARA, and we list them in no particular order.

Currently, there is a 45-day commenting period. We believe this is unrealistic. We propose that the commenting period should be extended to a minimum time frame as allowed in the Planning Act; namely, 180 days. In the case of a mega quarry, that time could or should be extended. It's difficult to examine the mounds of data that we received—which was over 3,100 pages, by the way—and formulate a meaningful opinion in 45 days. In those cases, a negotiated time frame of up to one year may be required. In addition, there must be a notification pro-

vision added to the act to ensure that the host municipality is aware that an application for an aggregate licence has been applied for. This notification requirement should also apply to any posting on the EBR by anyone. The host municipality must be notified by the party posting comments on the EBR.

While municipalities usually have pre-consultation meetings, developing a list of required studies, we feel that a standardized list of reports should be built into the act. This list should be compiled as a result of consultation with the industry, the ministry and host municipalities to ensure all comprehensive areas are identified. This inclusion would not prohibit a specific municipality from requesting further studies based on the uniqueness of the host area and specific circumstances to that application.

We believe that any quarry of 250 acres or a quarry requesting below-the-water-table extraction and certainly any mega quarry should be subject to a full environmental assessment.

On page 18, section 6.3 of the SAROS report, it states:

"Overall, based on the constraints analysis, the conclusion is that there is a large overlap of prime agricultural land, wetlands, and significant woodlands with selected bedrock resource areas.

"In addition to the 20 constraints, there are numerous other factors that must be considered to determine whether the deposit area can be assembled and made available to supply mineral aggregate needs. Without an integrated and balanced approach, it is unlikely that an aggregate deposit could be licensed since there is a high probability of on-site and adjacent natural features, agriculture, water resources and social factors to consider."

We believe a thorough, comprehensive analysis should be done, with protection of the environment as the highest priority.

Rehabilitation is a concern. Again, I would refer you to the SAROS report. Section 7, starting on page 21, deals with rehabilitation. Partway through the first paragraph it states, "Legislation and policies that apply to aggregate extraction and rehabilitation are in effect to ensure that aggregate extraction is an interim land use and rehabilitation is carried out to return the lands to the previous use, or one that is compatible with adjacent land uses."

I will not be reading the entire section 7; however, I would suggest that you do.

I would refer to section 7.8, which states:

"Rehabilitation efforts in the United Kingdom are viewed as excellent examples and can be at least partially attributed to:

—"widespread promotion and acknowledgment of high-quality efforts;

—"innovative partnerships between industries, non-government organizations, and in some cases research institutions;

—"recognition of complementary relationships between human needs and nature conservation.



“This leadership and research may be due partly to the significantly higher per-tonne fee collected through their aggregates levy. Rehabilitation efforts in Ontario will meet with more success if a full range of possible land uses is considered and if networks of sites are considered simultaneously at the landscape level,” the point being that if more money and human resources were devoted to rehabilitation, a better job could and should be done. Stronger enforcement of the rules is also required.

1610

The next point is fees; we’ve heard a lot of that today. Currently, a municipality receives about six cents per tonne for aggregate extracted. In the case of a mega quarry, which, by definition, is to be able to produce 10 million tonnes per year, the proponent would realize somewhere between \$80 million and \$120 million per year, while the host municipality would receive \$600,000. The revenue distribution is not fair or equitable. I realize there have been discussions with the ministry and the top 10 aggregate producing areas to try to increase that fee to the 50-cent range. While that certainly is better than six, it still is not adequate for the disruption and destruction a mega quarry has the potential to inflict on a municipality or its citizens.

Transparency is also required. The industry is virtually self-regulating. A few years ago, our council was trying to learn more about quarries. The president of the Ontario Stone, Sand and Gravel Association took us on a tour of a couple of sites. In our discussion, I tried to pin down exact numbers for tonnage from each site. I was advised that those numbers are not divulged because it’s a very competitive business and producers do not want their competitors to know exactly how much business they’re doing. While I understand and respect confidentiality, I find it strange that we are to take their word and accept payments for tonnage extracted, yet they do not provide to a host municipality—or others that I am aware of—verifiable numbers to cross reference to ensure proper payments are being made. We suggest that the ministry or an arm’s-length party should be responsible for control and keeping of the factual data to ensure fairness.

The provincial policy statement 2005, section 2.5.4.1, states in part that in prime agricultural areas, on prime agricultural land, extraction of mineral aggregate resources is permitted as an “interim use.” That phrase is not defined. In the case of the Highland quarry, the proponents now state that this project is a 50- or 100-year deal. Those time frames certainly are not interim uses, and a clear definition is required.

At the February 23, 2012, OSSGA annual convention, Councillor Richard Paterak from Caledon, as part of his speech, offered that the following should be incorporated into the act:

“The concept is that aggregate licences should have a specified lifespan, a clock if you will. What I would like to suggest is that we give each licence a specified time period of operation but indexed to the economy of the area. That is, if a licence is granted to supply the GTA, a benchmark year could be defined as 12 months in which

the economy of the GTA is performing at 3% growth. So, as a for-instance, a pit granted a 20-year licence would finish in 20 years if the economy was steady at 3%. If we went into a recession and the economy performed at 1.5% for a year, that calendar year would remove only six months from the 20-year licence. Or if the economy soared to have a 6% growth year, it would remove two years from the licence. The clock would not start until 90 days after stripping occurred. In this way operators can have proven reserves ready to go when they want to mine them in an expeditious and complete manner.

“What does this do for the community? It gives them certainty, something that is missing today. An indexed clock could be a very useful tool to give residents peace of mind. It does impose an added discipline to the process, but if producers are truly professional and have done all of their studies, know how much material is in an area to be licensed, understand their market and arrived at a realistic time frame to finish the job, a clock should not be a problem.”

In the interests of time, I’m also providing a copy of the presentation that we’ve done on our revisions to the provincial policy statement. It includes many other remarks about aggregate, and we hope you will give that your serious consideration.

In closing, I would like to suggest to those that support the concept of a mega quarry just to take a short drive up the road to our township. I will personally introduce you to multi-generational farmers who are concerned and worried for their future and livelihood, as they have not sold out. I will introduce you to business owners who have seen their businesses decline because they may deal with one side or the other of the quarry issue. I will show you where 30 homesteads once stood that have been torn down to make room for the quarry. I will introduce you to Women’s Institute members who have had challenges rounding up support and pies for their long-standing strawberry suppers. All this before shovels hit the ground.

It’s very easy to support a concept when it will not have an impact on yourself or the community.

I respectfully submit our report.

**The Acting Chair (Mr. Michael Coteau):** Thank you very much, sir. We’ll start with the Liberal caucus. Questions?

**Mr. Mike Colle:** Mr. Mayor, what’s the population of your township?

**Mr. Bill Hill:** It was 2,358 as I left this morning.

**Mr. Mike Colle:** I want to congratulate you, given your small municipality, on your superb presentation and the fact that you’re able to do this, given your size and resources. The quality is certainly here, and I want to pass that on to the people who helped put this together. Really, it’s an impressive presentation: very, very clear.

**Mr. Bill Hill:** Thank you very much.

**Mr. Mike Colle:** You’ve got some very good, positive suggestions here about the impact and certainly even the social impact it’s having on your township.



I certainly concur about this interim use and the clock, that this open-ended thing is very problematic, and I think you've put forward a suggestion here, which I do appreciate.

You're here before all of us as the mayor representing the people who are at ground zero of this debate. What message do you want us to pass on to everybody?

**Mr. Bill Hill:** Good question. We understand the need for aggregates as well. The point is that this particular application, if we're talking about that, is immense and, quite frankly, too large for any municipality. All you have to do is drive up County Road 124 and you'll see that they are absolutely taking the 2,316 acres of prime agricultural land. So something has to change in that regard. We are at the headwaters. This is going to have a major, significant impact on over one million people in the province of Ontario, as far as we're concerned. We'll find out more, obviously, as the EA evolves, but we haven't seen those terms of reference yet.

**The Acting Chair (Mr. Michael Coteau):** Thank you. PC caucus?

**Ms. Sylvia Jones:** Thank you. It's nice to see you, Mayor Hill.

I'm going to ask a little more about the interim land use. In your opinion—and I understand this is kind of putting you on the spot—what would you have interpreted, or if you could give us a recommendation, what would you interpret as a quantitative number for “interim” land use?

**Mr. Bill Hill:** Well, frankly, I haven't given that a tremendous amount of thought, but when I saw the presentation done by the councillor from Caledon, I thought that was a reasonable projection, quite frankly. We know that there's a tremendous cost to anything to do with aggregates, so if there are going to be aggregates taken—and we do have pits and quarries in our area, by the way—then there has to be some time frame. Maybe a 20-year life cycle isn't a bad idea.

**Ms. Sylvia Jones:** Okay. My other question relates to the provincial policy statement. I see that you did present to the ministry when they were seeking input on the PPS review. When did you do those comments?

**Mr. Bill Hill:** That was back in 2010. I think it's date-stamped September 23, 2010.

**Ms. Sylvia Jones:** I see that here. And have you heard anything back in terms of what the ministry is doing/not doing?

**Mr. Bill Hill:** No.

**Ms. Sylvia Jones:** So we're in a waiting period?

**Mr. Bill Hill:** Yes, that's correct.

**Ms. Sylvia Jones:** Okay. Thank you.

**The Chair (Mr. Michael Coteau):** An NDP question?

**Ms. Sarah Campbell:** Thank you. I want to thank you for the very thoughtful and thorough and also very reasonable presentation that you made. I found it quite insightful.

I do have some questions, though, regarding especially number 4, where you state, “the point being, if more

money and human resources were devoted to rehabilitation, a better job could and should be done.” You know that money and cost is always a concern. Do you have suggestions about how we could raise some additional funds or prioritize?

**Mr. Bill Hill:** Yes, I do. I think if you look at the fact that a proponent will take \$80 million to \$120 million out of a project in a year and the municipality gets \$600,000, that's where the money comes from, quite frankly.

**Ms. Sarah Campbell:** Thank you.

**The Chair (Mr. Michael Coteau):** Thank you very much. Oh, you have a question?

**Mr. Rosario Marchese:** I got lots.

**The Chair (Mr. Michael Coteau):** Sorry. Go ahead.

**Mr. Rosario Marchese:** Thank you. Thank you again for the presentation. I agree with the levy and the fees. You made the same comment on stronger enforcement that the other mayor made earlier, and I'm a strong believer in enforcement. The problem is, the ministry doesn't seem to have any money to enforce anything, so it means absolutely nothing. So we have to deal with that.

1620

**Self-regulation:** You heard I'm not a big fan. Neither are you, obviously, based on the “transparency” remark. How do you know how much they're hauling out? Based on that, there's a fee, but if they're telling you, “We haul out 50 trucks” but it's really 150, you don't really know because of secrecy surrounding their agreements. So we need to deal with self-regulation, and there's got to be better transparency. I am agreeing with that.

**The interim use:** I think you're absolutely right. Others have commented on this as well, but it would be good to give municipalities a sense of certainty around, “What does that mean?”, because “interim” means absolutely nothing.

**Mr. Bill Hill:** Right.

**Mr. Rosario Marchese:** If it can be so elastic, at the end of it, it means absolutely nothing; it's not interim anymore. So I agree that we need to put a time frame on that.

**Recycling:** I'm assuming you are a big fan of recycling, right?

**Mr. Bill Hill:** We are a fan of it. It doesn't happen, particularly, in our municipality at this stage, again, partially because of the resources, or lack of resources, I guess I should say, that we have available for that.

**Mr. Rosario Marchese:** But on the whole, you believe that we need to look at how we recycle material as opposed to extracting more and more of the land, especially in sensitive areas?

**Mr. Bill Hill:** Definitely. Yes.

**Mr. Rosario Marchese:** Thank you for coming.

**The Acting Chair (Mr. Michael Coteau):** Thank you very much.



## FRIENDS OF RURAL COMMUNITIES AND THE ENVIRONMENT

**The Acting Chair (Mr. Michael Coteau):** Next we have FORCE, the Friends of Rural Communities and the Environment. Welcome. You've probably heard the rules around 10 minutes and five minutes of questions. Please state your name and begin. Thank you.

**Mr. Graham Flint:** Certainly. Thank you very much. My name is Graham Flint and I have the honour to serve as the chairman and spokesperson of FORCE, Friends of Rural Communities and the Environment.

FORCE was formed in June 2004 to protect our natural and built environments in the face of what is now the St Marys Cement-proposed Flamborough quarry.

We also believe that our organization has a responsibility to promote good government, and as such, we have participated in a number of past processes, including consultations on the provincial policy statement, the Greenbelt Act and the Clean Water Act. We also sit on the standards development panel of SERA, Socially and Environmentally Responsible Aggregate, an organization active in developing voluntary standards for aggregate operations. I believe you'll hear from them on Wednesday. We welcome this opportunity to participate in the committee's review of the Aggregate Resources Act.

Given the time available to me today, I will only present to you a brief snapshot from our eight-year-long story. But one of the overarching themes that I do want to identify is that of presumptive development or entitlement. Many communities feel that it is a culture that permeates the ARA, from proponent right through to MNR.

I can tell you that when I first called the MNR district office, the staff person advised me that I should call the proponent and develop a working relationship with them because "these proposals always end up getting approved." You may remember in Mr. Pichette's comments from the MNR presentation last week when he explained that at the end of the ARA application process the minister could either approve the licence or refer it to the Ontario Municipal Board. The ARA actually gives the minister a third option: They can deny the application, but to us it is revealing that the refusal option is no longer in the working language of the MNR. The MNR appears to have given up that responsibility.

Let me begin by outlining a few of the characteristics of the proposal facing our communities. It is a limestone quarry on the border of the Hamilton and Halton region. The site is in the drinking water protection area for the community of Carlisle, along with hundreds of private wells. It is in the natural heritage system of the greenbelt, with a significant collection of protected features, including provincially significant wetlands, significant woodlands, significant wildlife habitat, species at risk etc. It is an active farming community mixed in with a number of rural residential developments. The proponent's own documentation estimates an operation in existence for some 60 to 70 years on the initial lands—this is not an interim land use—and the lands will be permanently

changed, especially by the time the lake-based rehabilitation plan would be complete. It will be our children's children's children who will still be living with the effects of this proposal.

The committee members may be aware that an aggregate application requires evaluation for both an ARA licence and for Planning Act approvals. In our case, the proponent purchased lands that were zoned for agriculture and conservation management. The proponent is now seeking an official plan zoning amendment to change it to industrial extractive. No approvals are guaranteed; it is a buyer-beware situation where the proponent is speculating on an outcome. In the St Marys Cement case, the risk of the situation should have been even more apparent, as they purchased the lands from an initial land speculator who had already enraged the community and had given rise to significant opposition.

To make our long story very short, consider the highlights from the last couple of years. St Marys Cement formally applied for their aggregate licence in 2009. Staff and elected officials in Hamilton, Burlington, Milton and the region of Halton, as well as their medical officers of health, all objected to the proposed quarry as part of the ARA process. They not only objected, but many of them passed specific resolutions calling on the province to deny the licence or stop the quarry. Other public agencies and stakeholders such as Conservation Halton, the Niagara Escarpment Commission, the Hamilton Wentworth District School Board, individual public and private schools, the Halton Federation of Agriculture and the Hamilton Wentworth Federation of Agriculture all objected. So did the provincial Ministry of Natural Resources, with seven full pages of comments, and the Ministry of the Environment. Along with those institutional stakeholders, more than 1,200 area residents also formally objected to the proposal.

The St Marys Cement Flamborough quarry proposal is not a partisan or political issue. Opposition to this proposed development crosses all levels of government and all political parties, including municipal councillors in Hamilton, Burlington, Milton and Halton, Conservative Halton MPP Ted Chudleigh, NDP leader and Hamilton Centre MPP Andrea Horwath, Liberal Ancaster–Dundas–Flamborough–Westdale MPP Ted McMeekin, and Conservative Ancaster–Dundas–Flamborough–Westdale MP David Sweet.

"No" was the decision from our communities, our local and regional governments, the relevant agencies, and all other stakeholders. Unfortunately, St Marys Cement refused to accept that decision.

In 2010, six years after the project was first proposed, the province made a decision to use an existing tool under the Planning Act, a ministerial zoning order—or MZO—to freeze the zoning on the property. This action appears to us, at least in part, to reflect the unanimous stakeholder positions that had already developed.

The company then pursued its interests before the Ontario Municipal Board and sought a hearing to revoke or amend the MZO. Hamilton, Milton and Halton made



decisions to participate, along with the provincial government. These municipalities also requested that the province make a declaration of provincial interest, or DPI, in the proceedings based on the issues involved. As the preliminary hearing started in 2011, the province made the decision to declare a provincial interest.

St Marys Cement then chose to adjourn the OMB hearing and to escalate the situation to the courts by launching a judicial review challenge against the province's MZO and DPI actions.

We disagree with the company's interpretation of events and any suggestions that the provincial government's decisions were made for inappropriate or improper purposes. To make that accusation—that the reasons for the provincial decisions were for other than the fact- and science-based concerns related to the project—appears disrespectful to all the private and public officials who had evaluated the project and made a professional decision to recommend that the project not proceed.

The company then, under another corporate entity, SMC VCNA LLC, filed a NAFTA application for arbitration under chapter 11 against the federal government of Canada. They are seeking \$275 million US in compensation from Canadian taxpayers as a result of the province's actions.

In March 2012, the federal government determined that there were issues with the investor's status because of its limited business activities in Canada and that it is wholly owned by a Brazilian conglomerate, and Brazil is not a signatory to NAFTA. St Marys Cement has since responded by filing a judicial review request against the federal government and launching a second NAFTA claim.

When you add in an appeal of a recent Environmental Review Tribunal's decision to support the Ministry of Environment's decision not to issue another permit to take water for more quarry testing, we now have six legal or quasi-legal actions underway.

The industry often argues that companies need efficiency, transparency and certainty. What about efficiency, transparency and certainty for the communities in the province? Surely when all agencies and stakeholders are saying no, the process should be able to come to a "no" outcome. To us, it unfortunately seems that the philosophy of presumptive development and entitlement prevents this company from accepting a "no" decision.

During his remarks last week Mr. Moroz from St Marys Cement presented his perspective on this situation. We are disappointed that the company attempted to single out some of FORCE's hundreds of supporters and volunteers. It is inappropriate that St Marys Cement is targeting volunteers due to their past or current public service. We are also concerned that the company continues to make serious allegations based on incorrect facts and information.

We categorically state that FORCE has not received and does not receive any funds from the Friends of the Greenbelt Foundation, either directly or indirectly

through any other organization. FORCE is 100% funded by individual and business donations from supporters in our communities. These transactions are all reflected, as they have been each year, in the FORCE annual audited statements that are posted on our website.

FORCE intends to stay engaged and continue to represent our communities' interests until the proposed quarry is stopped once and for all. We very much appreciate the time to correct the record and to offer a small portion of our story in the hope that no other community needs to face what we've faced.

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Review of the ARA needs to be about updating and strengthening the regulatory framework to reflect current standards and expectations. All of the affected communities across the province hope that you will ensure that the evaluation of proposed aggregate developments is comprehensive, accountable and inclusive, and that where extraction is licensed, it is operated responsibly, transparently and remains accountable to the communities that host it. FORCE will be submitting detailed recommendations in our written submission.

As the Environmental Commissioner pointed out in a 2005 Toronto Star article, there is no shortage of rock in this province; the question is where and how we should extract and recycle it and what kind of legacy we want to leave our children and our grandchildren. The committee's recommendations regarding the ARA, the provincial standards and the MNR policy and handbook will help shape that legacy. Thank you.

**The Acting Chair (Mr. Michael Coteau):** Thank you very much. We'll start with the PC caucus.

**Ms. Laurie Scott:** You say on the first page of your report, I believe, that MNR appears to have given up the responsibility in regard to the ARA; then you say, on page 2 of your report, "So did the provincial Ministry of Natural Resources (with seven full pages of concerns)...." I don't know if you looked, but in their presentation—they appeared before us. They are clearly involved.

**Mr. Graham Flint:** They're very much engaged with it, but their leadership role, their ability to make the decision of management—I think what you'll find most communities feel is that there's a leadership and a responsibility to coordinate and control this, and it's not being done. They're a facilitator but not a manager.

**Ms. Laurie Scott:** Those two comments that you made are not quite accurate. They are involved, and you say they're engaged. They are the leadership ministry on these decisions—

**Mr. Graham Flint:** I apologize if I wasn't clear. When Mr. Pichette listed the things that would happen at the end of the application process—there are three choices: approve, refuse, or refer to the OMB. Both in correspondence from MNR over the years as well as in his testimony, he said the choices were approve or refer. He did not list the third one, and we just think that's telling of the culture that has now become dominant.



**Ms. Laurie Scott:** How do you feel about the ministerial zoning order that came in that hadn't been done before?

**Mr. Graham Flint:** Well, in 2010, when all of a sudden it arrived—we weren't really expecting it—we were thrilled. We thought that this was going to be the end of it. The fact that it seems to have now just precipitated a variety of lawsuits and further legal proceedings leads us to say maybe it wasn't the panacea that we thought it was.

**Ms. Laurie Scott:** The company got, so far—I don't know for sure—around \$20 million of investment, and then this came in. So it's not fair to any of the sides when this did occur. It has gone down such a path—

**Mr. Graham Flint:** It had gone far down the path, and \$20 million is the number that they represent.

I think it's very important to know, and I did put it in my comments, that there was a speculator out in front who had sort of started this project along from 2004 to 2006. In 2006, when St Marys Cement bought up the project and took over the application, all the issues and all the positions of all the municipalities had already been on the record. So they knew exactly what they were getting into.

**The Acting Chair (Mr. Michael Coteau):** Let's go to the next question. NDP caucus?

**Mr. Rosario Marchese:** Thanks, Graham, for the presentation. I agree with the beautiful phrase that you have put together, which is "the philosophy of presumptive development and entitlement." We're up against big forces with big dollars, and they intimidate governments from time to time. From time to time, governments do the right thing, and then people wonder why. But it is good that they do the right thing and find the fortitude to challenge the entitlement comment that you made.

The fact of the matter is that 70% or 80% of all extraction comes from the Niagara Escarpment and the Oak Ridges moraine. A lot of people agree that these are sensitive areas. As you point out or somebody else points out, there's a lot of rock around the province. I think that even if the cost might be higher in some ways, we may have to deal with that as a way of protecting prime land.

**Mr. Graham Flint:** I would say that the testimony you had in your very first day of hearings, where the point was made that eventually close-to-market resources in environmentally sensitive areas will be exhausted—eventually you're going to have to solve the problem of bringing it further afield and take a different approach to how we manage aggregates. We need it. It's important for our economies and our quality of life. But it can't always come close to market. We're going to have to solve these—

**Mr. Rosario Marchese:** You're quite right, except they'll still be extracting in sensitive areas for many years to come, and that's part of the problem.

I agree with your comment about strengthening the regulatory framework. While it appears that all three parties are in agreement on many areas, at the end of it we'll see where agreement actually is. It's kind of nice to

hear agreements in a lot of areas, so we'll see where it lands at the end. Thanks very much.

**The Acting Chair (Mr. Michael Coteau):** Okay, thank you. We'll move on to the Liberal caucus.

**Mr. Mike Colle:** Okay, thank you, Mr. Flint. Again, I'm not going to comment on some of the controversy with that company, because it is before the courts.

**Mr. Graham Flint:** It is.

**Mr. Mike Colle:** But it seems like a pretty tortuous road you've been down with the people in the community, and a very costly one. I guess the question I have is, in terms of this section you talked about—that there's nothing guaranteed when you go forward with these applications—should we maybe look in this committee about putting a sort of a warning clause in this amendment to the act which says that all these applications are subject to municipal, provincial—these ministries—and that nothing is guaranteed; no matter how much money you spend it's still possible you may not reach a point where you will get approval?

**Mr. Graham Flint:** My perspective on that would be that the companies are very aware of the complexity of the landscape they work in. I think one of the very interesting things that have come out of this is—I've gotten involved in this and I sit on standards development, where industry representatives, environmental groups and planners are coming together to work on this. We've really worked on some approaches to deal with that, and it deals with early consultation. The problem now is, what happens is that these companies do what's called the DAD: They develop, announce and defend their applications. If they were out in front and there was more consultation and more discussion upfront about these things, the standards that we're trying to draft—the draft standards now say, "The moment you're in talking to any government agency about potentially doing this, you should be telling all the stakeholders about this so we can get all the input upfront, so that that investment, that \$20 million that was mentioned on this side, the complexity that you're talking about on what needs to be done, can be decided upon once you've heard all the voices from all the interested parties and all the different perspectives." In other words, understand the complexity of the environment and then decide what your business decision is.

**Mr. Mike Colle:** And do more upfront notification?

**Mr. Graham Flint:** Correct.

**Mr. Mike Colle:** Okay, thank you.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation.

#### CANADIAN ENVIRONMENTAL LAW ASSOCIATION

**The Chair (Mr. David Oraziotti):** Next presentation: the Canadian Environmental Law Association. Hi. Good afternoon. Welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation.



**Ms. Ramani Nadarajah:** Good afternoon, Mr. Chair and committee members.

**The Chair (Mr. David Orazietti):** Please state your name for the purposes of Hansard, and you can proceed when you're ready.

**Ms. Ramani Nadarajah:** My name is Ramani Nadarajah, and I'm counsel with the Canadian Environmental Law Association, which is a legal aid clinic specializing in environmental law. Seated next to me is Mr. Joseph Castrilli, who is also a counsel with the Canadian Environmental Law Association.

We will be addressing only a few of the major issues facing aggregate extraction in the province, given the time constraints. I would note, however, that a more comprehensive brief on the key issues related to aggregate extraction in Ontario was done by the Canadian Institute for Environmental Law and Policy last year. That brief is available on CELA's website. We've provided the title of that brief and a link in a footnote, too, of our written submission.

I'm going to be dealing with part 4 and 5 of our written submission, which is the relationship of the Aggregate Resources Act with the 2005 provincial policy statement. It's on pages 4 to 7 of our submission. I'll also be addressing compliance and enforcement issues. My colleague, Mr. Castrilli, will be dealing with the issue of abandoned pits and quarries, which is addressed in part 6 of our submission.

The provincial policy statement which is issued under the authority of the Planning Act has a very significant impact on aggregate extraction in this province. CELA submits that any review of the Aggregate Resources Act also needs to consider the policies and legislation which are relevant to the operation of this act. In fact, we submit that any reform of the Aggregate Resources Act without similar changes to the PPS will fail to achieve a proper control of aggregate extraction in Ontario.

Unfortunately, the provincial policy statement is overwhelmingly weighted in favour of protection of aggregate extraction at the expense of other provincial interests such as protection of water quantity and quality, natural heritage, and preservation of agricultural lands.

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Under the PPS, municipalities, as well as the Ontario Municipal Board, are required to allow aggregate operations to operate as close to market as possible, without any consideration of need. This has meant that aggregate extraction is allowed to take place at the expense of other land uses in Ontario.

CELA therefore recommends that the Aggregate Resources Act should be amended to require applicants for aggregate licences to demonstrate the need for aggregate extraction in a particular area. We also submit that the provincial policy statement should be amended accordingly.

In addition, the Ministry of Natural Resources should develop and maintain an up-to-date, publicly available assessment of current aggregate demand and supply and of projection of future needs. This should also include an

analysis of opportunities for conservation and reduction in the demand for aggregates.

The second issue which I want to deal with is the failure of MNR to effectively ensure compliance and enforcement under the Aggregate Resources Act. The Environmental Commissioner of Ontario has frequently commented on the weaknesses in the current regulatory framework as well as the poor enforcement record in relation to aggregate in his annual report. This problem, as you've heard before, has been compounded by the lack of adequate staff within MNR.

CELA therefore recommends that the Ontario government make funding available to restore the number of field inspectors to a level that will allow for more frequent and thorough monitoring of pits and quarries in Ontario. One option to achieve this would be through a cost recovery regime, by increasing the current per-tonne licence fee and royalty charge on extraction.

Those are my submissions, and I'll now turn it over to Mr. Castrilli.

**Mr. Joseph Castrilli:** Thank you. Mr. Chairman and members of the committee, the one final issue we wish to deal with this afternoon is the issue of abandoned pits and quarries. As you know, one of the purposes of the act is to require rehabilitation of land from which aggregate has been extracted. In this regard, there are really two categories of pits and quarries to consider: firstly, active operations, and secondly, abandoned pits and quarries.

Due to time constraints, our written submissions only deal with the second category, that of abandoned pits and quarries. Those are defined in the act as "pits and quarries for which a licence or permit was never in force at any time after December 31, 1989." As you know, Mr. Chairman, and probably would have heard from the Environmental Commissioner last week, there are almost 7,000 abandoned pits and quarries in Ontario.

The act establishes an aggregate resources trust to provide for rehabilitation of abandoned pits and quarries, which includes surveys and studies respecting their location and condition. The regulations under the act establish a licensing fee—a very small one—and a very small portion of that very small fee is dedicated to the trust for the purposes of abandoned pits and quarries research and rehabilitation. Within the trust, there is separate management of abandoned aggregate properties, which is known as the MAAP program, which is administered by the aggregate industry for the trust for the purposes of rehabilitating sites using a portion of a licence fee that's dedicated to that program.

Today, we're not here to talk about or discuss the adequacy of what has been rehabilitated under the MAAP program; we are here to talk about the size of the task that is yet to be completed, how long it will take, how much it will cost and why law reform is certainly necessary in this area. For this purpose, we prepared three tables—they're tables 1, 2 and 3, which respectively appear on pages 9, 10 and 11 of our written material—to show the magnitude of the problem.



Depending upon whether you accept that there are only 2,700 sites that require rehabilitation, which is the position of the Ministry of Natural Resources, or 6,900 sites, which is the position of the Environmental Commissioner of Ontario, based on MNR's own numbers, as the number of sites needing rehabilitation, the time it will take to achieve their rehabilitation ranges from about 90 years to 335 years, based on the current annual rate of rehabilitation.

By any benchmark, a program the potential success of which can only be measured in centuries is not a program either the Legislature, the public, the regulated community or regulators can have any confidence in. It also underscores, Mr. Chairman, why aggregate is not an interim use of land in this province.

The legacy of abandoned pits and quarries will not only take a long time to clear up if we continue at the current pace, but will also be costly. Our estimates—and this is based on table 3 of our submission—range from \$134 million for 6,900 sites to \$52 million for 2,700 sites. So those are the problems with the rehabilitation program for abandoned pits and quarries under the act.

The question is, what are the solutions? In the circumstances, the place to start is to craft a solution to the problem that begins with a realistic evaluation of the adequacy of the legislative framework for rehabilitation, the fee limits contained in the regulations with respect to rehabilitation, the Ministry of Natural Resources staffing requirements for inspectors, along with a credible time frame for clearing up the backlog of abandoned sites.

The goal of such a reform should be to achieve the rehabilitation of abandoned pits and quarries in a few decades—and I would suggest that one to three decades would be something the public might reasonably accept, not one to three centuries.

In our written material, we have specific recommendations directed to this issue that we would be happy to discuss with the committee following questioning.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation.

Conservative caucus: Go ahead, Ms. Jones.

**Ms. Sylvia Jones:** You mentioned that the provincial policy statement would need to be updated with the ARA. As you know—because I'm assuming that you also put in a submission for the PPS review—that five-year review was in 2010. It's 2012; we're still waiting for any kind of feedback from the ministry. Do you know or have you any theories as to why we're still waiting for that response to the PPS?

**Ms. Ramani Nadarajah:** I can't comment on why there's a delay in providing that response. One of our colleagues—in fact, the executive director of CELA—has also made a submission in relation to the current review, that aggregate extraction should not be allowed to trump other land uses. This is a recommendation we have consistently made with the ongoing reviews of the PPS, which is done every five years.

**Ms. Sylvia Jones:** On page 6, one of your recommendations is that "MNR should develop and maintain an up-

to-date publicly available assessment of current aggregate demand and supply and provide projections of future needs...."

You talk about the interest in including need in permit applications. How many years of supply would you suggest would be adequate or appropriate before an application or a permit is considered?

**Ms. Ramani Nadarajah:** I can't give you an exact figure on that. We think that getting that information is vital to any kind of conservation strategy. The last time I believe that an actual assessment of aggregate supply and demand was done was in 1992. I think I'm going to defer that to actual experts in that field who could probably provide the kind of economic information that you're seeking.

**Ms. Sylvia Jones:** In the SAROS report, it does make reference to the diminishing supply and the need for finding more and licensing more applications.

My last question is related to the rehabilitation of abandoned pits and quarries. With your numbers, I'm wondering if you could tell me how many of those abandoned pits and quarries are actually municipal sites.

**Mr. Joseph Castrilli:** The information that we have, which came from the Ministry of Natural Resources and the Environmental Commissioner's office, doesn't actually do a breakdown in that way.

One thing I think I should add is that the entire province is not designated, so these numbers are probably underestimates.

**Ms. Sylvia Jones:** Thank you.

**The Chair (Mr. David Oraziotti):** Mr. Marchese?

**Mr. Rosario Marchese:** With respect to your first recommendation about need, do they do that in the UK?

**Ms. Ramani Nadarajah:** The UK has actually taken a much more aggressive position in relation to aggregate extraction. You heard earlier speakers talk about the issue of imposing a levy. They do have a much more up-to-date assessment of demand and supply. Whether an applicant is required to actually assess need in the context of a licence, I can't answer that right now.

**Mr. Rosario Marchese:** Does anybody do it, anywhere?

**Ms. Ramani Nadarajah:** The requirement to—

**Mr. Rosario Marchese:** Yes, requiring need; to demonstrate need.

**Ms. Ramani Nadarajah:** I'm going to defer to my colleague.

**Mr. Rosario Marchese:** If you don't know, that's okay.

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**Mr. Joseph Castrilli:** Since I was so focused on rehabilitation, which is the back end of the process, I haven't spent any time this week looking at the front end. But certainly in any other—and in fact, if you actually look at our submission, there are a couple of different comments from both the Niagara Escarpment Commission and municipalities that for any type of land use they deal with, any application before them always has to



demonstrate need, regardless of the activity. Why should this industry be exempt from that?

**Mr. Rosario Marchese:** I appreciate that.

**Ms. Ramani Nadarajah:** If I could just—

**Mr. Rosario Marchese:** That's good. I need to ask the other question—

**The Chair (Mr. David Oraziotti):** Briefly.

**Mr. Rosario Marchese:** —about recommendation 2, where the ministry should increase its inspectors for compliance. What if they don't do that? What happens?

**Ms. Ramani Nadarajah:** I think you're going to see the status quo. I think even MNR has conceded that currently there is inadequate inspection and enforcement in this particular area. So you will see the current status quo continue, and I think that would be extremely unfortunate.

**Mr. Joseph Castrilli:** One of the implications of that is actually referred to in our brief at footnote 13, where an application by a company in 2010 was rejected because the Ontario Municipal Board had no confidence in the Ministry of Natural Resources' ability to actually act as an inspector for the site during its operations.

**The Chair (Mr. David Oraziotti):** Okay, I'm going to have to stop you there.

**Mr. Rosario Marchese:** I agree with recommendation 3, too, by the way.

**The Chair (Mr. David Oraziotti):** That's time for your questions, Mr. Marchese. Mr. Colle.

**Mr. Mike Colle:** How do you deal with this more proactive role by MNR—you've suggested a way of offsetting some of these costs—when you've got a climate here that basically is saying, "Government is taxing me too much," "Government is imposing too many fees," "There's too much government regulation, too much government red tape," "Government, stay off my land"? I mean, there's signs all over Ontario that say, "Government, stay off my land, or else." How do you deal with this phenomenon of saying, "Government, stay off my land," and then, "Government, come in and rehabilitate my quarry"?

**Ms. Ramani Nadarajah:** Well, I think if this issue is not addressed, what you're going to see is increasing land use conflicts in Ontario, and that's what happened in other jurisdictions and the UK, which prompted governments there to take action. So I think this is an area where in fact the public wants the Ontario government to take a leadership role and address the increasing land use conflicts.

**Mr. Mike Colle:** But what about these signs all over these properties in Ontario that say, "Government, stay off my land. Ministry of the Environment, stay off my land"?

**Ms. Ramani Nadarajah:** Well, I've also seen signs that are going up in my neighbourhood where there's a lot of concerns about aggregate extraction and the need to protect water quality, and NDACT signs going up in my neighbourhood as well. I don't think you can simply look at it in terms of sort of putting your finger out there and testing where the political winds blow. I think this is an

area where even the provincial ministry, MNR, has conceded that there have been weaknesses in monitoring and enforcement. They recognize there's a need for a conservation strategy. You have independent watchdogs like the Environmental Commissioner, who has also commented on this. I think at this point there needs to be a leadership role by government.

**Mr. Joseph Castrilli:** If I could just add, in response to your question—

**The Chair (Mr. David Oraziotti):** Very briefly.

**Mr. Joseph Castrilli:** —the issue of rehabilitation and the abandoned pits and quarries program doesn't come at a cost from the public taxpayer. The amount of money that's being spent on rehabilitation, as little as it is, comes from that very small portion of the fee that's imposed for every tonne of aggregate that's extracted. So it doesn't come at any expense whatsoever to the landowner and, in fact, is usually welcomed by the landowner. My issue and I think the issue of many other folks is that it's happening way too slowly.

**Mr. Mike Colle:** Centuries rather than years.

**Mr. Joseph Castrilli:** Yes, that's right.

**The Chair (Mr. David Oraziotti):** Thank you for your presentation. Thanks for coming in. That's time for today.

## ONTARIO FARMLAND TRUST

**The Chair (Mr. David Oraziotti):** The next presentation is Ontario Farmland Trust. Good afternoon. Welcome to the Standing Committee on General Government. As you know, you have 10 minutes for your presentation. Simply state your name and you can start your presentation.

**Mr. Matt Setzkorn:** Good afternoon. I'm Matt Setzkorn. I'm the policy coordinator with the Ontario Farmland Trust. It's great to be here as part of the Aggregate Resources Act review.

Like many of the colleagues in the room, we feel that this legislation is overdue—or a review of this legislation is overdue. We're glad to see some movement to update and improve aggregate policies that really reflect our collective values and really enable us to plan appropriately for the use of the resources that we are blessed to have here in Ontario.

The Aggregate Resources Act obviously has far-reaching impacts on communities across the province, and we appreciate this committee's decision to extend the period for public hearings and expand consultations beyond Toronto to some of the rural and agricultural areas of the province that are trying to manage some of these aggregate issues. I think that's especially important right now, when we have farmers out in the fields planting and they have little opportunity to be able to participate in this week's hearings, recognizing that farmers are quite a large stakeholder group that should be part of this dialogue.

A bit about the Ontario Farmland Trust: We are a non-profit organization with a mission to protect and preserve



Ontario's farmland and associated agricultural, natural and cultural features of the countryside for the benefit of current and future generations. We're actually the only province-wide organization with a specific mandate to further farmland preservation in Ontario, and we pursue this through research, education, policy development and direct land protection.

Our board of directors includes representatives from two of Ontario's major farm organizations, the Ontario Federation of Agriculture and the Christian Farmers Federation of Ontario, as well as farmers, academics, planners, researchers and other land conservation advocates.

Our comments and recommendations today are directed toward consideration of agriculture and farmland specifically as part of this review process, and we hope that some new policy directions will emerge through this process that present a greater balance between the protection of aggregates and agricultural land resources in the province.

There is, obviously, quite a dynamic tension between agriculture and aggregates, largely because southern Ontario is home to these two very valuable, non-renewable resources that are protected for very specific uses. We often take this farmland, particularly in southern Ontario, for granted and don't really see it for the strategic resource that it really is. I'd like to provide a bit of context for that and raise the profile of that issue.

In Canada we have a land classification system, classes 1 through 7, through the Canada Land Inventory, class 1 being the best agricultural land—no real limitations for agricultural production; crop production, that is—and class 7 not being able to support any kind of agriculture, classes 1 to 3 of farmland being able to support quite a diversity of crop production and considered prime agricultural land. We often think of Canada as being a land of vast and infinite resources, but really only 5% of Canada's land mass is considered class 1 to 3 prime agricultural land. Only 0.5% of Canada's land is class 1 farmland, and we have over half of that land here in southern Ontario.

Combined with the geography here as the southernmost point in Canada, we have the best climate for agriculture, which enables us to produce a great number of crops that can't be grown anywhere else in Canada: over 200 different commodities, different tender fruit crops—peaches, pears, apples, wine grapes—as well as vegetables and field crops like soybeans and corn.

The land itself and the diversity of production that we see here in Ontario is really the foundation for the agriculture and agri-food industries in Ontario, which contribute over \$30 billion to Ontario's economy every year. All of this makes southern Ontario farmland the single most important agricultural resource in Canada, and protecting farmlands and maintaining the stability of this agricultural land base is, of course, foundational to the well-being of our economy and our communities across the province.

The current loss of farmland in Ontario is, however, quite unsustainable: over 200 million acres lost in the past 30 years. Yes, we've been improving some land use policies over time, but we're still losing about 100 acres a day to non-farm developments, which include the extraction of aggregate resources. We also just completed a study that indicates we could actually lose the ability to be self-sufficient in food production here in Ontario in the next 25 years, given loss of farmland and the population growth projections that we have for this province.

Our position is that prime farmland in Ontario needs to be protected as the strategic resource that it is, alongside aggregate resources. Unfortunately, as we've heard, the provincial policy statement and the Aggregate Resources Act seem to set a higher priority for aggregate over other land uses, including agriculture. So we have a sense that planning needs to be more coordinated and integrated between these two land uses and that we need to really question why aggregate applications all seem to be equally important and are fast-tracked for the approval process without a more comprehensive look at what is lost in that process.

We have a sense that there should be a more coordinated and cohesive strategy that is developed in terms of how we use these resources of aggregates and agricultural land, developing some kind of strategy that involves meaningful consultation with municipalities and community stakeholders.

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We should, through a strategy, identify where long-term aggregates and agricultural reserves should be strategically located and protected for their respective uses. Such a strategy would effectively analyze and mitigate impacts on host communities and look at differentiation between different types of aggregate, the quality of aggregate itself and the different types of those materials, and also linking production to the need for those materials.

The four areas that I wanted to speak to today are the approval of new aggregate extraction sites; aggregate conservation and recycling; rehabilitation of aggregate extraction sites to agriculture; and lastly, aggregate fees and royalties.

In terms of approval for new aggregate extraction sites, we feel that more comprehensive and full agricultural impact studies should be completed for aggregate sites proposed in agricultural areas and include assessments—looking at the soil itself, looking at fragmentation of the agricultural landscape and interference with farming activities in the area and, of course, at rehabilitation plans.

Just to reiterate some of the comments that we made as part of the provincial policy statement review in the fall of 2010, we really feel it's important that aggregate extraction is prohibited on specialty crop areas, which are areas like the Niagara tender fruit and grape lands, which we don't allow urban development on. There's no need for us to allow aggregate extraction in those areas, which are a clear provincial interest to be maintained in agri-



culture. In addition to that, we would like to see aggregate prohibited on class 1 to 3 farmland below the water table because, of course, that prime agricultural land is lost in that case, and rehabilitation is not possible.

Aggregate conservation and recycling is an obvious priority. We've heard that throughout the day, and it should be a priority over approval of new licences and permits. We really think the province should be setting targets in terms of recycling and incrementally increasing recycled aggregate material use over time. That, of course, makes more efficient use of those resources and relieves some of the pressure on the landscape in terms of developing new aggregate sites.

The third point, rehabilitation of aggregate extraction sites to agriculture: Just quoting the provincial policy statement, "In prime agricultural areas, on prime agricultural land, extraction of mineral aggregate resources is permitted as an interim use provided that rehabilitation of the site will be carried out so that substantially the same areas and same average soil quality for agriculture are restored."

While there has been some successful rehabilitation of aggregate sites in Ontario back to agriculture, in many cases the farmland hasn't been restored or there has been extensive delay in that rehabilitation process. We've heard the term "interim land use," and we really feel there needs to be a stronger commitment to the long-term rehabilitation of aggregate sites and reintegration of those areas back into agriculture.

Also, referring to the timelines, we feel like the aggregate operators must be required to surrender licences in a timely manner following extraction to expedite their rehabilitation of the sites back to agricultural use. Of course, new incentives and mechanisms may be necessary to achieve that, as well as policy.

The last point, on aggregate fees and royalties: We also feel that the fees are very low right now, and those could be raised in order to support, of course, MNR in improving the monitoring of aggregate sites and enforcement of the act itself. We could use some of those additional fees to support programs and incentives that encourage greater reuse and recycling of aggregate material. We could also use those fees to support new incentives for the rehabilitation of aggregate sites following extraction, so all of the same things that I have talked about here.

In conclusion, I'd just like to thank you for the opportunity to present the Ontario Farmland Trust's concerns and some of the recommendations that we have as part of this review, and hope that that's a consideration in balancing these land uses.

**The Chair (Mr. David Oraziotti):** Okay, we've got some questions for you. Thank you for your presentation. Mr. Marchese is up first.

**Mr. Rosario Marchese:** Thanks, Matt. A few quick questions.

The Ministry of Natural Resources said that they clearly don't have enough staff. I'm not sure they admitted that, but because they don't have enough staff,

they say they try to go after the people that they know are a problem. Do you consider that a good strategy in terms of enforcement or oversight?

**Mr. Matt Setzkorn:** It's clearly not comprehensive or it doesn't quite go far enough, in terms of monitoring what's actually happening across the landscape.

**Mr. Rosario Marchese:** They should have more staff, in other words, right?

**Mr. Matt Setzkorn:** Absolutely.

**Mr. Rosario Marchese:** That would be my view, too.

With respect to rehabilitation of aggregate extraction, you heard the previous presenters talk about rehabilitation that will take place over 100, 200 or 300 years. Do you agree with them, and me too, that maybe there should be a shorter time frame?

**Mr. Matt Setzkorn:** Absolutely, yes. I think that needs to be part of it, and certainly rehabilitation of abandoned pits—but also ensuring that for the pits that are currently operating, there is an end time to that and some commitment to rehabilitation and some—

**Mr. Rosario Marchese:** What's a reasonable time frame for you?

**Mr. Matt Setzkorn:** I think it varies on the site and the conditions there. There may have to be some elaborate formula that's developed, that I don't have expertise to do but I think could be done. We could be looking at fairly long time—

**Mr. Rosario Marchese:** But there should be a time frame on this, right?

**Mr. Matt Setzkorn:** There should certainly be a time frame, and certainly a commitment to bringing land back to agriculture.

**Mr. Rosario Marchese:** I wanted to thank you for reminding us that only 5% of Canada's land is prime agricultural land, and that only 0.5% of Canada's land area is class 1 farmland. It's an important reminder, because we tend to think that our farmland is limitless. These kinds of numbers tell you how fragile the whole thing is. Thanks for that.

**Mr. Matt Setzkorn:** It goes back to the previous comment, too, about needing to see some of these linkages between the provincial policy statement and this act, and how we direct land use in this province, and keeping those—

**The Chair (Mr. David Oraziotti):** Okay. Thank you. Mr. Berardinetti, go ahead.

**Mr. Lorenzo Berardinetti:** Something that sticks out for me is the fact that in the statement here, you say we continue to lose over 100 acres, or one farm, per day. This is in southern Ontario?

**Mr. Matt Setzkorn:** Yes.

**Mr. Lorenzo Berardinetti:** In your view, the agricultural places like the Niagara Escarpment should not be touched at all.

**Mr. Matt Setzkorn:** There are a couple of select places that are called specialty crop areas, which include Niagara; the Holland Marsh, which is just north of Toronto; and, I believe, the Grey county apple-producing area. Those are designated specialty crop areas and are to



receive the highest priority of protection—except for aggregates—currently, as the policy stands.

**Mr. Lorenzo Berardinetti:** You also mentioned that the farmland is taken and used to do aggregate extraction and then not rehabilitated at the same pace; for example, the aggregate extraction is not keeping up with the rehabilitation of the land.

**Mr. Matt Setzkorn:** I think it's a frustration that we see in the rural and agricultural communities, particularly when you have these aggregate sites throughout the agricultural landscape: a frustration that some of these pits aren't very active, or there's an intentional delay in rehabilitation, because of cost, perhaps—a real lack of commitment on behalf of the aggregate industry and those companies who are operating in those areas to complete that rehabilitation and bring that land back into agriculture. It doesn't seem to be keeping pace.

**The Chair (Mr. David Oraziotti):** We've got to move on. Mr. Colle.

**Mr. Mike Colle:** I was at the grocery store yesterday, and everything there—berries from Florida, raspberries and bananas from Costa Rica. Would it help if Ontarians would buy more Canadian-grown food, Ontario-grown food? When you go to the grocery store, it's all foreign food.

**Mr. Matt Setzkorn:** Absolutely, but there's certainly a need for a policy to balance some of these land uses and obvious players with a lot of money behind some of these development applications.

**The Chair (Mr. David Oraziotti):** Ms. Jones, go ahead.

**Ms. Sylvia Jones:** Before we go away from it—I don't want to mislead you—while the committee has asked for the right to travel and agrees with the right to travel, we are actually still waiting for approval from the House leaders, unless the Chair has got some good news that he's waiting till the end to share with us.

**The Chair (Mr. David Oraziotti):** You are correct.

**Ms. Sylvia Jones:** Specialty crop areas: As I understand it, there are only three in the province of Ontario. They were given many, many years ago. There is no formal process with the Ministry of Ag to apply for a specialty crop area. Is that your understanding?

**Mr. Matt Setzkorn:** That's right. We've been encouraging that for many years too.

**Ms. Sylvia Jones:** One other question: When you talk about what Ontario Farmland Trust does, do you have a breakdown on the loss of agricultural land that is as a result of homes and development and the loss of agricultural land that is as a result of aggregate extraction?

**Mr. Matt Setzkorn:** Unfortunately, that data just isn't there at this point, but over time, hopefully, we'll be able to track those more effectively. I think that's a process coming through municipal affairs and housing, to track more directly the change of land use.

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**Ms. Sylvia Jones:** As a farm girl, I was always told that the best agricultural land is sitting under the CN Tower, so I'm going to suggest to you that the bulk of the

agricultural land that we have lost in the province of Ontario is a result of us paving and building homes and not for other reasons.

The last question I have is relating to the rehabilitation of aggregate extraction. You pull out a line from the PPS—the provincial policy statement. I'm wondering if you have the wording that you would like to see. It has the famous interim use and prime agricultural land. Is there something in there that you would like to see tweaked in the provincial policy statement?

**Mr. Matt Setzkorn:** I'm not sure it needs to come through the PPS. I think it's fairly clear, the intent here. It's a matter of how we actually make that happen through this act now, the Aggregate Resources Act, and hold these aggregate operators accountable and ensure that there is a commitment to rehabilitation in the long term and at the end of the use of that site.

**Ms. Sylvia Jones:** Because, of course, every permit now that is applied for, there must be a rehabilitation component in it. The concerns that I think we see and we hear about of rehabilitation that hasn't occurred are pits that didn't have that component in it. So now every new expansion—correct me if I'm wrong, Parliamentary Assistant—has to have a component that talks about rehabilitation: what it'll look like and the timeline of how it happens.

**Mr. Matt Setzkorn:** There seems to still be a delay in having it happen on the ground, the actual rehabilitation. Are there incentives needed or mechanisms needed to encourage that more so that we can see that rehabilitation happening more quickly?

**Ms. Sylvia Jones:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you for your presentation. We appreciate you coming in today.

## NATIONAL FARMERS UNION IN ONTARIO

**The Chair (Mr. David Oraziotti):** Our next presentation: the National Farmers Union in Ontario. Good afternoon. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. You can start by stating your name and proceed when you're ready.

**Ms. Ann Slater:** My name is Ann Slater. I'm here on behalf of the National Farmers Union in Ontario.

I will, first of all, say that I'm a farmer. Our organization felt it was important that this committee heard from farmers. I should be home on the farm; I've got a ton of work today. I worked yesterday so that I could come here today. When you see me listed as a coordinator, that may confuse you; you think that job is a staff person. It's not. I'm a farmer. Being the coordinator is an elected position in our organization, and all of us who work on behalf of our organization have farm work to be doing.

I think one of the questions that's before the committee here today is really about what we value as a society. I've sat here and I've heard how important the growth and the development are: That's why we need aggregates; that's why we need cement and such. I think



it's part of what we value as a society: Do we value growth and development; do we value our environment; do we value communities; do we value being able to feed ourselves?

The National Farmers Union is an accredited general farm organization with over 2,400 members in Ontario. We work towards the development of economic and social policies that will maintain family farms as the primary food producers in Ontario. Our organization believes agriculture should be economically, socially and environmentally sustainable and that food production should lead to enriched soils, a more beautiful countryside, jobs for non-farmers, thriving rural communities, and biodiverse natural ecosystems. Within our vision for agriculture in Ontario is a commitment to working towards growing food first and foremost for the people of Ontario.

The most important resource for family farmers is access to land—land that is healthy enough to produce food and land that is affordable to present and future generations of family farmers. The NFU views farmland as a non-renewable natural resource that must be protected, not as a commodity to be exploited. Every year across Ontario, farmland is lost to industrial uses, including the extraction of aggregate, and to urban development. It's not limitless. I think sometimes when we're in urban areas and we drive out into that countryside, we think that that farmland goes on and on forever. It doesn't.

Although this is a review of the Aggregate Resources Act, the ARA cannot be viewed in isolation from other provincial policies which address how land is used in the province. Under the provincial policy statement, aggregate extraction is given priority over all other land uses, including the protection of prime agricultural land. According to the 2011 census, only 5.6% of the land base in Ontario is used for farmland. As a non-renewable resource in limited supply, farmland must be given priority over other land uses.

I didn't mention this, but we also made a submission in 2010 around the provincial policy statement, and that was the main point of our submission there as well.

The notion that aggregate extraction is an interim use of land must also be addressed. The suggestion that once aggregate is removed from under farmland, the land can then be rehabilitated to the same average soil quality does not make sense to a farmer. The soil quality and unique characteristics of gravel-bottom farmland are directly related to the gravel bottom or aggregate under the soil. To continue to assume that farmland can be rehabilitated to its original state after aggregate is removed is to trivialize the importance of food production and of farmers to the future of Ontario.

In 2010, the NFU published a research paper which looked at how non-farmer investors, corporations and foreign entities buying up farmland are threatening the family farm model of food production in Canada. This is part of a growing trend around the world whereby vast amounts of farmland are being bought up by foreign in-

vestors, often for food production. As farmland becomes scarce around the world and as wealthy investors and foreign corporations gain control of farmland, local communities lose access and control of food and lose access and control of the production of food for their own citizens.

The Highland Companies in Dufferin county is one example of a non-farmer investor purchasing farmland in Ontario. The company has proceeded to attempt to develop the land in a manner that provides them with the greatest financial return—in their case, by extracting aggregate. As our land use policies place more value on the aggregate under farmland than on the food that the land can produce, investors and developers eyeing the industrial uses of the land are able to outbid farmers for farmland. Each time we, as citizens of Ontario, allow farmland to move out of the hands of farmers and into the hands of investors and developers, we put our ability to feed ourselves now and in the future in jeopardy.

The NFU acknowledges that, as farmers, we use and we require aggregate, just like the rest of society. We would like to encourage this review to investigate the ways in which we can better recycle aggregate, decrease our reliance on aggregate, and source aggregate from areas of the province which are not prime agricultural land.

Just on the topic of prime agriculture land, we would look at class 1, 2 and 3 as being prime agriculture land. That is all land that is very capable of providing food to the people of Ontario, in addition to the specialty crop areas. The loss of any of those classes of farmland jeopardizes our ability to produce food.

Aggregate extraction is a competing land use with food production. In this review of the ARA, the NFU strongly encourages the standing committee to acknowledge the need to make the protection of farmland the number one priority so that, as a province, we have the ability to feed the citizens of the province now and, more importantly, in the future. Thank you.

**The Chair (Mr. David Orazietti):** Thank you very much for your presentation. The Liberal caucus is up first. Mr. Colle, go ahead.

**Mr. Mike Colle:** Thank you very much, Ann. What kind of farming do you do?

**Ms. Ann Slater:** I'm a small-scale market gardener from the northwest corner of Oxford county, just south of the town of St. Marys.

**Mr. Mike Colle:** Okay. A beautiful town, St. Marys.

I just want to get to your point about valuing farmland. How can we expect people to value farmland, getting back to my previous point, when, when they go to the grocery store, they buy garlic from China, blackberries and raspberries from Florida, and they buy bananas from Central America? They're basically getting to the point where they are saying, "Why do we need farmland here in Ontario? It always comes in by truck from abroad." Then we've got to build more roads for the trucks and use more aggregate.



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So how can we get people to understand that there's a correlation between what they buy at the store and if they're going to be able to keep their farmland for future generations by maybe buying local once in a while?

**Ms. Ann Slater:** Well, that's an ongoing challenge. It's ongoing work that an organization like ours does on a daily basis, trying to point out the importance of supporting farmers, the need to have farmers who produce food for the people of Ontario. So it's an ongoing thing.

As I think I said at the beginning, this is part of what we value as a society and it's incumbent upon us all to do the work, to point out why farmland is so valuable. I mentioned the report the NFU did in 2010 basically about land-grabbing. We need to start to get our head around the fact that other countries are running out of farmland and are paying big money in other places for farmland because they want to secure a source of food. We have the chance here to sort of look at—we want to secure our own source of food here in Ontario. We still have the farmland to do it, as long as we quit using it for various other purposes. It has to be a number one priority that we protect our source of food for us, the people of Ontario. It's not going to happen overnight. It's a job that we all need to do on a daily basis.

You know that garlic from China? I'm heading off to my first farmers' market this coming Saturday, and I can guarantee you there will be several people come and ask me when my garlic will be ready because they're tired of that garlic from China.

**Mr. Mike Colle:** So am I.

**The Chair (Mr. David Oraziotti):** Thank you for your comments. Over to Mr. O'Toole. Go ahead.

**Mr. Mike Colle:** There should be a law: No garlic from China.

**Mr. John O'Toole:** Thank you very much, Ann. I also represent a riding—which is primarily the three people here, really—that is agriculture. In fact, as somebody said earlier, you can see all the class 1 farmland from the CN Tower, and that includes the issue that really is pertinent to this committee: proximity to market. That's where the competing use does come into it.

You talked about values. I think everyone here would support the idea of food security, given the context of the world and seven billion people and all those larger and larger issues.

But I'm amazed—the previous presenter, I think, put on the table some interesting approvals with respect to restrictions on farmland. What do you expect this committee to do with respect to putting in legislation protection of class 1—and you said class 3—farmland and meeting the other requirements to provide resources? One would say, “What is that requirement?” But could you put some context in that as advice to the committee?

**Ms. Ann Slater:** It's come up several times today, and we mentioned it there at the end, that we need to look at better recycling of aggregate so that we don't need new. We were just having a conversation around the supper table last night about all of the barns that are being torn

down and the rock that's part of those barns that's simply being buried. Now, that's a very small, little piece, but it's a lot of little pieces. So recycling is one.

Two, we may have to be prepared to pay more for aggregate to bring it from farther afield. We have rock in this province in other places. I understand that we've got a certain percentage of aggregate that's leaving the province to go south of the border. If aggregate is so important, more important than food—and it may well be at times; we need it, we as farmers need it—we may have to be prepared to pay more.

**Mr. John O'Toole:** I have two sites in my riding that are now under review, and I don't think they will be opposed, for putting solar panels on two different sites within my riding, each 100 acres or more, under glass. What's your view on that? They exempt municipal planning on much of this stuff. In most cases, the Aggregate Resources Act exempts the municipal oversight with respect to zoning of provincial resources.

**Ms. Ann Slater:** Our position is that solar farms should not be put on class 1, 2 and 3 farmland.

**Mr. John O'Toole:** Good. Thank you very much.

**The Chair (Mr. David Oraziotti):** Okay, thank you. NDP caucus: Ms. Campbell?

**Ms. Sarah Campbell:** On the note speaking about recycled aggregate, one of the things that we've talked about in this committee and we've heard is that Ontario doesn't use anywhere near as much recycled aggregate as other jurisdictions. I'm wondering if you have any suggestions about how we could use more, and if you would support going as far as possibly legislating a certain amount of recycled aggregate.

**Ms. Ann Slater:** I haven't looked into recycling aggregate very much, or hardly at all, but it's just like recycling any of our non-renewable resources: We need to find a way to recycle what we can. I can't speak for what our organization would say; we haven't discussed it. Personally, I would be in favour of making a legislative requirement, because sometimes that's the only way to do what needs to be done.

**The Chair (Mr. David Oraziotti):** Thanks for coming in. We appreciate your time today. That concludes the time for your presentation.

**Mr. Rosario Marchese:** I just wanted to congratulate you, Ms. Coordinator, for your work.

## COUNCIL OF CANADIANS

**The Chair (Mr. David Oraziotti):** Our next presentation: the Council of Canadians. Good afternoon. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation. You can start by stating your name for the purposes of our recording Hansard, and you can begin when you're ready. Thank you.

**Mr. Mark Calzavara:** My name is Mark Calzavara. Thank you very much for the opportunity to speak here today. I'm the regional organizer for the Council of Canadians.



We are Canada's largest member-based advocacy organization. We've been at it for more than 25 years now. We have more than 25,000 members here in Ontario. We don't take any government money. We don't take any corporate money. It's only the individual donations of our donors that allow us to continue our work. We also have 16 chapters in the province of Ontario, chapters that are run by volunteers dedicated to the work that we're doing.

I have only one suggestion to make to the committee today, and that is, give the communities the right to say no to aggregate resource extraction in their area. It sounds like it might be a disaster, but the reality is that we're actually headed for a disaster already. As the Environmental Commissioner was saying last week, we are running out of aggregate sources close to the city. We have to go farther away. We have to go up north to get our aggregate. There's no choice in the matter.

If you give the communities the right to say no, what ends up happening is you're then in a position—as consumers of aggregate, we're trying to convince them to say yes, and then we have to make the conditions right for them to say yes. Giving the communities the right to say no guarantees that the various necessary changes will be made to ensure that aggregate supply meets aggregate demand in Ontario.

Most of the aggregate that's at a close proximity right now is either going to be exhausted in 10 years, or it's off limits because of environmental and heritage features. Those areas, while there are significant amounts of aggregate there—that aggregate supply is now surrounded by communities that are going to fight harder to stop the exploitation of that aggregate than anyone else is willing to fight to exploit it. That's a very key point. When a community decides that it really doesn't want to suffer the impacts associated with any industrial project and aggregate extraction, especially in cases like the mega quarry in Melancthon, the impacts are going to be substantial—unquestionable, the size of the impact. The question is, do they have a right to say no? Should they have a right to say no? I think there's a natural answer to that, and that is yes, they should absolutely be allowed to say no. Whether you're talking about saying no to wind turbines or saying no to aggregate extraction or saying no to a dump site being put in somebody's community, when you take away that right to say no, you ensure that you're going to have a fight on your hands. So you'd better not go down that road unless you're sure you can win.

We've learned from dump site 41 that these communities, given the right situation, are willing to do far more than anyone else is to protect themselves. At site 41, they were facing a garbage dump—for 25 years, they were fighting against a garbage dump. This was in Tiny township. In 2009, they won the battle, even though the construction of the site had actually started. Tens of millions of dollars had been spent. They had started construction. The community didn't give up. Senior citizens, First Nations, farmers, cottagers, townspeople and activists

stood shoulder to shoulder. They blockaded the construction of the dump site for over a month. Court orders didn't move them; lawsuits didn't move them; being arrested didn't move them. They won because they wanted to stop the dump more than anyone else wanted to build it. They were willing to risk their own present to protect the community's future.

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That's an important issue as well. Right now, the way our regulatory system is rigged, we've got the proponents that are risking the future of these communities for their own gain. They get the rock, they get out and they're done. Who pays the price? If there's a price to pay, it's the community. They might pay that price five years down the road or 10 years down the road, but it's that community that ends up with all of the impacts of that proposal.

The lessons that we learned at site 41 have been spreading across the province. The people who are against the proposed mega quarry in Melancthon have learned a great deal from site 41, what happened there. They've attracted a critical mass of determined people to help their community to stop the certain destruction that the mega quarry would cause.

Just like at site 41, they're participating in the current regulatory process, but I would say that most of them don't really have a whole lot of faith in it. If the mega quarry wins approval, I'm certain the community will decide to stop it and that they will ultimately be successful.

Just a few weeks ago, a new pit was proposed in the Paris area. The community is already organizing against it. They're already talking to the people in Melancthon who are fighting the mega quarry. They're already talking to the veterans of site 41. You see how fast it's moving now?

What I'm trying to get at is, the situation has changed. This isn't the 1970s anymore, or the 1980s, and the communities have figured out that they can stop it. All they have to do is care more about stopping these projects than the proponents care about putting them in. That means they'll go to jail if they have to. That means they'll leave a \$2-million cheque to buy them out sitting on the table because things are more important to them than money. If they're willing to do that, what is the proponent willing to do to get that project in? In comparison, they can't win. They just don't have the same strength. They don't have the same unity.

So where do you get your aggregate from? You have to go to communities that are willing to accept you, and that means you have to give them guarantees that what you're selling them is going to be what they get. That means you have to have enforcement of the rules. You have to have inspection, which we don't have. The rules around aggregate and current pits might as well not even apply. The enforcement has been reduced and hobbled to such an extent, you might as well not have those rules anymore.



If you want to convince a community to accept a new aggregate mine to go in, you've got to guarantee them that what you say you're going to do is really what's going to happen and that there's an impartial referee there that's going to protect them.

I'm not saying that any community should be able to have an aggregate mine if it wants to. You have to keep the rest of the rules in place, the rules that say where it's acceptable and how far down and how much aggregate. Those rules have to stay. What you have to do is just add that one simple rule: Let them say no. By doing that, you force the industry and the government and all the consumers of aggregate to pay the true cost of aggregate and to make those projects acceptable to the communities that are going to host them.

When you try to force a community to take a project that will have such tremendous impacts on them, then they're going to stand up and fight, and now they know how. So it really is the fairest way forward. It's the best way forward for everybody involved, including the proponents of the aggregate mines themselves. How they are best able to guarantee that they'll have the supply is by convincing people to let them come and do it.

**The Chair (Mr. David Oraziatti):** Thank you. Does that conclude your presentation?

**Mr. Mark Calzavara:** I think I've made the points I need to.

**The Chair (Mr. David Oraziatti):** We'll go to questions, then. The Conservative caucus is up first. Ms. Scott, go ahead.

**Ms. Laurie Scott:** Okay. I'll do one quick question and then let my colleague Mr. O'Toole follow up.

You said that you want the communities to have the right to say yes or no. How are you doing that? Are you suggesting some type of referendum? Because the process on the average siting is eight to 10 years as it is, right?

**Mr. Mark Calzavara:** Right.

**Ms. Laurie Scott:** That seems to be quite a long time.

**Mr. Mark Calzavara:** The reason it takes so long is, you have like what happened in Melancthon. The proponent came in; didn't tell anybody, supposedly, that they wanted to have an aggregate mine. They came in and bought up as much land as they could, and then word got out and then they got a big fight on their hands, and that's going to last forever.

If you start with getting the buy-in from the community, then you don't waste all your time with all the hydrogeology reports and all the testing to find out if it's acceptable. You put word out, "Look, we need to find aggregate. We're going to do right by your community. You're going to get good jobs. We're going to take care of you. We're going to put the money aside to rehabilitate the area afterwards. You're going to get the infrastructure to ship that aggregate down to where we need to use it."

It's going to cost more, for sure. It's going to cost the government more because you're the biggest user of aggregate, the biggest buyer, but that's the true cost of

aggregate. It's not the true cost to impose a pit on a community that doesn't want it.

**Ms. Laurie Scott:** Go ahead, John.

**Mr. John O'Toole:** Just following up on that similar theme as my colleague, we've had one presenter today—really, without me attributing value to what he said too much, but the mayor of West Grey was—I would define as a willing host community, changing some of the rules under the process. Is that what you're advocating here? Is it like going out there and saying, "Who wants to be in?" and let the municipal level of government decide?

**Mr. Mark Calzavara:** As I'm saying, really it's a right to say no. It's like a veto for the community.

**Mr. John O'Toole:** This is an important observation. I would only put to you that the process has been described—I'm sure you know it very well—as very expensive, very controversial, for sure. This is why everybody's here.

**Mr. Mark Calzavara:** Absolutely.

**Mr. John O'Toole:** But also the current structure is sort of that they have to do all these studies before they go in to get the permit, and they've spent millions of dollars acquiring land or options, but then you have the other environmental implications which of course your particular Council of Canadians would like to think is proximity to market. These are conflicting issues, and this is why your presentation was general about saying no, general about having protests like in Tiny township. But I think that putting on the table some specific policy directions outside of "Just say no" would be important to the committee.

**Mr. Mark Calzavara:** Sure. Here it is: You give the community—

**Mr. John O'Toole:** You didn't have a written presentation today.

**Mr. Mark Calzavara:** I will be passing that in—

**Mr. John O'Toole:** Very good. Do that, and put something with more substance in there. I'm not lecturing, but I don't think anyone is really a willing host. If there's someone living close by, somebody's affected by it, whether it's the roads, the noise, the dust, but by the same token, it's an essential resource—

**The Chair (Mr. David Oraziatti):** Mr. O'Toole, you're not going to have time for the response here if you keep going.

**Mr. John O'Toole:** Yeah, sure.

**The Chair (Mr. David Oraziatti):** So if you want to briefly respond to that, go ahead.

**Mr. Mark Calzavara:** Yes, I'd love to respond to that. We know that there are communities in northern Ontario that would welcome it. Not every area where there is aggregate in the province is surrounded by a community that would fight it. Some of them would love to have that infrastructure, would love to have those jobs. It still has to be done in a way that is going to respect the environment. You can't just trash it because somebody needs a job because they're poor. That's not acceptable either.

**The Chair (Mr. David Oraziatti):** Okay.



**Mr. Mark Calzavara:** The idea being, until you give a community the right to say no, they will always fight against you. If you want to assure your aggregate supply, you have to get them on your side.

**The Chair (Mr. David Orazietti):** We need to move on to the next presentation, so we'll see the balance of it in the submission that you're going to make formally. We appreciate that. All members will get a copy.

NDP: Ms. Campbell, go ahead.

**Ms. Sarah Campbell:** I have a couple of questions. What we heard today is that there are a number of groups that have concerns about the timelines that individuals have to oppose or express concern, and that these timelines are too short and the process is too convoluted. Do you think that there's adequate time in the process?

**Mr. Mark Calzavara:** Absolutely not. The entire process is called an approvals process because it's meant to end in an approval. It's not a fair process. It has never been. We saw that at site 41, which wasn't an ARA process, but it's the same concepts involved, where you've got the proponent offering up these huge amounts of so-called science that they've paid for, the government has given up any capacity to actually look at that science and decide whether it's real or not, and it's left to these communities to come up, in 45 or 60 days, with the ability and the payment and the scientific wherewithal to check it.

1740

**Ms. Sarah Campbell:** The other concern that we've heard a lot is that the approval process isn't streamlined, that what will happen is a community or a site will go through—basically, that all the acts are kind of disjointed. It's not coordinated. I'm wondering if you would support streamlining with all of the acts and effectively shortening that time frame in favour of extending public consultation and feedback and involvement in the process?

**Mr. Mark Calzavara:** Any time you talk about streamlining or cutting red tape, there's a danger that you're going to be getting rid of something useful. So I come back to the concept of giving that community the right to say no. If they have that, then you can streamline all you want, because in the end they won't say no if it's not in their best interests.

This concept of Nimbyism, that people just don't want it in their backyard—well, the people who live there are the ones who are going to care the most about that land and about that water and they're going to care the most about having that community there for the next generation. We've seen that time and time again. They are the best people to decide whether it's good or not.

**The Chair (Mr. David Orazietti):** Thank you. To Mr. Colle.

**Mr. Mike Colle:** Thank you, sir, for your thoughtful presentation. You were talking about saying no. We went through this process back in the late 1980s with solid waste in Ontario. We tried to find a willing host. It went on for five, six, seven, eight years. Everybody said no. Do you know what they did with the garbage?

**Mr. Mark Calzavara:** They shipped it away.

**Mr. Mike Colle:** Yes, to Detroit. Nobody protested that Toronto garbage, at the cost of \$130 million a year, was shipped and put in a hole in Detroit for the last decade. They said, "Well, it's out of sight, out of mind." But we said no. The same thing is going to happen here. If everybody says no and the people keep on building concrete swimming pools, they want more highways, more roads—they don't see the quarries that are affecting Melancthon. They just say, "Well, I still want my swimming pool, I still want my road, but I don't see the quarry. I'm happy. The quarry is up there in North Bay"—out of sight, out of mind, problem solved.

**Mr. Mark Calzavara:** The garbage crisis was a complete failure by the government of the day to solve the problem.

**Mr. Mike Colle:** Everybody said no.

**Mr. Mark Calzavara:** And rightly so. Why would anybody say yes to a garbage dump when every single dump that they've produced has leaked, when there has been no real effort to reduce the amount of garbage—

**Mr. Mike Colle:** Well, there have been some good efforts in recycling.

**Mr. Mark Calzavara:** Here's the thing. If you talk about aggregate, why would any community accept to have those impacts forced on them when we're barely recycling our aggregate? We could do so much better. When the price of aggregate is essentially subsidized at the cost of that community, I would say no. Wouldn't you? Why should everybody get—

**Mr. Mike Colle:** Why should people keep asking for more swimming pools, more highways—

**Mr. Mark Calzavara:** Let them pay the right price for that. If they're willing to pay the true price, that means that the cost of that aggregate means that the pits are being reclaimed correctly, that the community is getting a net benefit from being the host to that. If you put that scenario in play, then everybody wins; we're all happy. The community takes the aggregate project because they get a net benefit for it. You and I end up paying more, but we have a guaranteed supply.

**Mr. Mike Colle:** You and I may want to pay more, but most people don't want to pay more.

**The Chair (Mr. David Orazietti):** I've got to stop you there, folks. We appreciate it. Thank you very much for coming in for your presentation. That's all the time we have for it.

## ONTARIO NATURE

**The Chair (Mr. David Orazietti):** Our next presentation: Ontario Nature. Good afternoon. Welcome to the Standing Committee on General Government.

*Interjections.*

**The Chair (Mr. David Orazietti):** Folks are getting restless.

You have 10 minutes for your presentation. You can start by stating your name for the purposes of our recording Hansard and proceed when you're ready. Thanks.



**Ms. Caroline Schultz:** Good afternoon, members of the committee. Thank you for the invitation to present here. My name is Caroline Schultz. I am the executive director of Ontario Nature.

By way of introduction, I'll just give you a little bit of background. Ontario Nature was founded in 1931. We represent and work with 140 member conservation groups across the province and over 30,000 individual Ontarians who are part of our membership. Our mission is to protect Ontario's wild species and wild spaces through conservation, education and public engagement.

Ontario Nature has a long history of working on issues related to aggregate extraction. We've been involved in legislated landscape-scale land use plans, notably the Niagara Escarpment plan, the Oak Ridges moraine conservation plan and the greenbelt plan, and we've also been involved in opposing specific licence applications, such as Dufferin Aggregates' Milton quarry expansion.

Aggregate extraction is a major, intense land use, primarily concentrated in southern and eastern Ontario but increasing in central and northern parts of the province. Impacts include destruction of rare and at-risk wild species and habitats, disruption of hydrological systems, and fragmentation of natural heritage systems that support wildlife and also yield essential ecological goods and services, such as clean drinking water. These are in addition to other community level concerns, such as noise, dust, water quality and quantity, and truck traffic.

For the past three and a half years, Ontario Nature has been working with representatives of the aggregate industry and other environmental organizations as members of the Aggregate Forum of Ontario. The Aggregate Forum of Ontario was formed to develop a voluntary program for environmental certification of aggregates to raise the environmental bar substantially above that currently prescribed in legislation. However, voluntary certification should not substitute for sound legislation and effective regulations. Indeed, the Aggregate Forum has acknowledged the limitations of voluntary certification for such issues as siting of operations and duration of licences.

I'd like to say that Ontario Nature strongly supports the review of the Aggregate Resources Act, though we are disappointed with the lack of sufficient notice to allow stakeholders and the public fair opportunity to provide meaningful input into the review process. It's also very important to understand that what is required is substantively more than a review of the act itself. Many of the key issues are ones that need to be dealt with in the provincial standards and the manual that guides aggregate extraction.

To this end, we believe that the Aggregate Resources Act and the associated standards and manual require major amendments to ensure the following:

First of all, to ensure appropriate siting of aggregate operations. Despite the requirement under the current ARA to have regard to, amongst other things, the effects of the operation on the environment, on ground and surface water, on nearby communities and on agricultural

resources, the provincial standards and the manual do not require comprehensive assessment of environmental impacts.

The provincial standards are much too restricted to the site itself and fail to address potential impacts of an operation that extend further than the most immediate neighbouring land. Furthermore, the nature of aggregate deposits means that sites are often found in clusters. Cumulative impacts of several operations in close proximity, such as alterations to hydrology and water resources and fragmentation of natural heritage systems, are not currently addressed.

Resources other than aggregates, such as prime farmland and water, are in short supply either regionally or provincially, and these must be protected. Siting of aggregate operations are land use decisions that must address the protection and conservation of other vital resources through thorough and comprehensive impact assessment.

The second recommendation: There needs to be a defined duration for aggregate licences. A key issue for the public and stakeholders is the duration of aggregate licences. There is no set term for an aggregate licence, which means that an operator can keep a site open indefinitely before moving to final rehabilitation and closure. Communities, municipalities and other stakeholders want greater clarity and certainty about the length of time a particular operation may be in existence. It's essential to know when a site will undergo final rehabilitation in order to plan for its use after a licence is surrendered.

For example, a site may be destined to become an important future element of a municipality's natural heritage system or may be tied to future economic development as a recreation feature. Understanding that demand and type of material are key factors that determine how quickly or sporadically a particular site is mined, the current completely open-ended nature of licences is unacceptable.

The third recommendation: Pumping of water in perpetuity is not an accepted mitigating measure for licensing. Licences should not be issued for sites where depletion of ground and surface waters can only be mitigated through pumping forever. This is a burden for which a company cannot be properly accountable and ultimately rests on the shoulders of society.

1750

The fourth recommendation is that there be improvements to the rehabilitation of pits and quarries. Site plans should include progressive and final rehabilitation plans that put landscape-scale targets first and foremost. This means proper consideration of the contribution of rehabilitated sites to regional natural heritage systems as either future core habitat or linkage. It also means developing comprehensive rehabilitation plans that address rehabilitation on the basis of site clusters rather than individual sites, even if the plan covers a lengthy time period because of the various stages of extraction for individual sites.



An effective site plan review process should be in place for sites that are currently in operation—some of them for many decades—to determine if current rehabilitation plans are consistent with landscape-scale objectives. Operators should be entitled to a thorough and efficient review and amendment process to expedite their ability to contribute to enhanced environmental protection and conservation. Rehabilitation of individual sites should be expedited by requiring the incorporation of a maximum allowable disturbed area into site plans, as is currently done under the greenbelt plan.

Recommendation number 5 is that there be streamlined processes to remove barriers to aggregate recycling. There's a huge potential for taking the pressure off sourcing new virgin aggregate if we get the recycling side of the equation right. Current challenges include the fact that some major aggregate-consuming municipalities will only use virgin aggregate; another is the reluctance of some municipalities to potentially extend the life of pits by allowing recycling operations. A challenge for municipalities with recycling facilities in pits is that their roads will bear the brunt of aggregate truck traffic but their levy revenue will shrink as the amount of virgin aggregate produced declines. Despite the challenges, increasing the availability of recycled aggregates is an essential part of lightening the footprint of the industry by reusing what we have already extracted. The ARA and associated regulations must clear the path and streamline the process to get more recycled material on the market.

Recommendation number 6 is that there needs to be greater municipal decision-making in terms of how and where aggregates are extracted. Aggregate-producing municipalities bear the brunt of providing the materials that society needs but currently have little say in deciding where and how aggregate extraction will occur. Some of the top aggregate-producing municipalities are rural ones with few resources to go to an OMB hearing to fight a licence application. Municipalities must be included at the front end with a meaningful and informed decision-making role.

Recommendation number 7 is that there needs to be an increase in the aggregate levy to achieve inspection targets and effective compliance enforcement and rehabilitation. Currently, operators pay 11.5 cents per tonne of aggregate produced, which is divided four ways: three and a half cents to the province, six cents to the lower-tier municipality, one and a half cents to the upper-tier municipality and half a cent to the abandoned pits and quarries fund. Compare this to the United Kingdom's \$3.23 tonnage levy—quite a difference.

The province overall collected \$5.8 million as its share of the levy in 2010. Given the inability of the Ministry of Natural Resources to achieve its 20% inspection target, increasing the levy should enable the province to increase its inspection and enforcement capacity as well as invest more into long-term planning and other initiatives such as reviewing and approving updated sites that are designed to reflect increasingly sophisticated approaches

to rehabilitation and environmental protection. Increasing the levy would also increase resources to enable rehabilitation of the province's backlog of abandoned pits and quarries.

Increasing the levy will also give donor municipalities—those municipalities that produce aggregate—a fairer deal. For example, the township of Uxbridge, one of our top 10 producing municipalities, produced 3.35 million tonnes of aggregate in 2010 but only received \$200,000 for its share of the levy, with which it's expected to build and maintain its roads to sustain the volume of gravel truck traffic.

In conclusion, I think with this review we have a huge opportunity to get things right in a way that works for the benefit of the environment and communities and, I hope, in a way that is largely palatable to the progressive members of the aggregate industry. With the appropriate legislation, regulation and enforcement, combined with voluntary implementation of best practices, we will see considerable reduction in the number of adversarial hearings that cost municipalities, community groups and proponents millions of dollars and countless hours. For this reason, Ontario Nature respectfully asks that this committee take the time needed to reach out and consult extensively with stakeholders and communities affected by aggregate production in key areas of the province and to go beyond the GTA to areas such as northern and eastern Ontario. Thank you very much.

**The Chair (Mr. David Oraziotti):** Thank you for your presentation. The NDP caucus is up first. Ms. Campbell, go ahead.

**Ms. Sarah Campbell:** Thank you for that presentation. I think you're absolutely right when you raise the point—well, your point number 5—about the challenge to municipalities as they transition from virgin aggregate to recycled aggregate and the impact that will have on their infrastructure. I'm wondering if you have any suggestions of how we can compensate municipalities. How can we address that issue?

**Ms. Caroline Schultz:** I don't have specific suggestions as to how they might be compensated, but they need to be compensated. I think it's really up to municipalities to make those recommendations specifically how that might happen. But if we're going to foster recycling and for municipalities to host these facilities, they need to be able to pay for maintaining the road infrastructure, at the very least.

**Ms. Sarah Campbell:** I agree. Thanks.

**Mr. Rosario Marchese:** A quick question.

**The Chair (Mr. David Oraziotti):** Briefly.

**Mr. Rosario Marchese:** Would you say that extraction of aggregates should be prohibited in prime agricultural land?

**Ms. Caroline Schultz:** I think it should be prohibited in prime agricultural land, but I do think it's important that we look at the specific impacts and be careful about blanket exemptions or prohibitions. We need to have a very clear definition as to what areas the industry may



potentially proceed in and which not, but that we're very clear about what the impacts might be.

**Mr. Rosario Marchese:** So we could designate where they could actually go—

**The Chair (Mr. David Oraziotti):** Thanks. We need to move on.

**Mr. Rosario Marchese:** —is what you're saying. We could do that?

**Ms. Caroline Schultz:** Yes, and we do, to a certain extent, with other land use plans like the Niagara Escarpment plan and the Oak Ridges moraine conservation plan.

**The Chair (Mr. David Oraziotti):** Thanks for that response. I appreciate it. Mr. Colle?

**Mr. Mike Colle:** Thank you for your presentation. I just wondered: Did you ever find any other references to any other jurisdictions that do recycling? We've heard about just one: the UK. Is there any other jurisdiction you know of that does any recycling?

**Ms. Caroline Schultz:** I'm only really familiar with what happens in the UK, so I can't really add to that at this point.

**Mr. Mike Colle:** Okay; we can find that out. The other thing is, I think you made an important statement about blanket policies, because this province is quite diverse in its topography, geography, geological makeup. You're suggesting that we not have one blanket policy but take a look at the specific area and take that into account, whether it be the escarpment, whether it be the Oak Ridges moraine, that that has to be part of what we do.

**Ms. Caroline Schultz:** I think it's a combination of both, depending on what specifically we're talking about. But if we're talking about areas where aggregate extraction should not proceed, we need to have a clear definition of and certainty about where those areas are and where they aren't. Then, in terms of the actual environmental assessment approach that needs to be taken when looking at specific areas and what the impacts might be, there needs to be a much more detailed assessment.

**Mr. Mike Colle:** Thank you.

**The Chair (Mr. David Oraziotti):** Thank you for that. I appreciate it. Ms. Jones, go ahead.

**Ms. Sylvia Jones:** Thank you for the presentation. Just a couple of follow-up questions.

In your second point, where you talk about "defined duration for aggregate licences," are you familiar with or can you share with the committee any jurisdictions where this occurs?

**Ms. Caroline Schultz:** No, I'm not familiar with where it occurs.

**Ms. Sylvia Jones:** Can I task research to find out whether there are any jurisdictions in North America—we'll start with that—where aggregate licences come with an end date? Fair enough? And a timeline on it.

My second question is on the pumping of water in perpetuity. I couldn't agree more. Again, have you seen any other licence where that is part of the licence? Again,

maybe that's more for research than putting you on the spot.

**Ms. Caroline Schultz:** As a mitigative measure in Ontario?

**Ms. Sylvia Jones:** Yes.

**Ms. Caroline Schultz:** The Dufferin Milton quarry—

**Ms. Sylvia Jones:** Has it in perpetuity?

**Ms. Caroline Schultz:** Yes.

**Ms. Sylvia Jones:** It's included in their licence?

**Ms. Caroline Schultz:** Yes.

**Ms. Sylvia Jones:** Okay. Could we get some additional information on that?

**Ms. Caroline Schultz:** I believe that the Highland application also would require pumping in perpetuity to mitigate the impact.

**Ms. Sylvia Jones:** I believe it does too. That's the first time I read it, so I'm interested to know if there are others.

**Ms. Caroline Schultz:** Yes.

**Ms. Sylvia Jones:** The last question relates to greater municipal decision-making. I'm going to ask you, because you haven't put it in your presentation: Do you have some thoughts on whether municipal official plans should include the mapping of where aggregates are in their municipality?

**1800**

**Ms. Caroline Schultz:** Yes, I do think that they should. There should be constraint mapping to look at what the natural heritage system targets are, along with other targets, and where there are areas of conflict, for example, and potentially how those conflicts could be avoided if there are options open to avoiding those conflicts. Unfortunately, that doesn't happen nearly to the extent that it could and should.

**Ms. Sylvia Jones:** Presumably, it would give some transparency to someone who is purchasing in or considering moving into a municipality, where they could go, review, see whether there is the resource there and whether it is—

**Ms. Caroline Schultz:** Yes, that information is available, but it would be very difficult for a general member of the public who was going to buy a property to know what the future of that land would be.

**Ms. Sylvia Jones:** In the town of Caledon, it's actually right in their official plan, and it's fairly standard. The feedback I receive is that people appreciate that transparency.

**The Chair (Mr. David Oraziotti):** Thank you. That's time for the questions and presentation. We appreciate you coming in today.

#### CANADIAN NETWORK FOR RESPIRATORY CARE

**The Chair (Mr. David Oraziotti):** The last presentation today, folks: Canadian Network for Respiratory Care. Good afternoon. Welcome to the Standing Committee on General Government. As you know, you have



10 minutes for your presentation. Please state your name, and you can proceed when you're ready.

**Ms. Cheryl Connors:** Thank you very much. I really welcome the opportunity to be here. My name is Cheryl Connors. I am the executive director of the Canadian Network for Respiratory Care. I appreciate the opportunity to come to speak about an adverse effect of industrial aggregate operations other than water—not that water isn't important, but I'd like to talk about air.

The Canadian Network for Respiratory Care, through its certified asthma and respiratory educators and member organizations, works to improve the quality of life for Canadians and their families living with respiratory disease by developing, promoting and advocating the highest standards of quality respiratory health care and innovative education. We have over 1,000 certified asthma and respiratory educators across Canada, and we are an umbrella organization for other organizations with an interest in respiratory disease. You'll see in the package the list of my member organizations, which include the Canadian Lung Association, the Asthma Society and Clean Air Champions.

I'd like to just give a definition for "air." It's the common term for the atmosphere, the layer of nitrogen, oxygen and other trace gases that surround our planet and make life on earth possible. The atmosphere is a complex natural system. Air pollution from transportation, industries and other sources causes an imbalance in the system by modifying its chemical composition. Living things are affected by air pollution in a variety of negative ways.

Each year, more than 21,000 Canadians die from the effects of air pollution. Canada has one of the highest rates of asthma in the entire world, with an astonishing 3.2 million Canadians believed to have asthma and an estimated 1.7 million with COPD, chronic obstructive pulmonary disease, known as emphysema and chronic bronchitis. COPD and lung cancer rates are expected to increase by more than 50% by 2030 and asthma by more than 24%. Some 15.6% of our children have asthma. Asthma is the leading cause of emergency room visits for children in Canada. In 2012, asthma, COPD and lung cancer caused \$12 billion in direct health care costs in Canada and an estimated \$8.6 billion in indirect costs.

Pits and quarries produce dust. Dust is produced from blasting, crushing, screening and stacking operations as well as conveyor belts and loader and truck transport on-site and trucks off-site as haul routes. Dust is also produced during overburden removal and from wind blowing over stockpiles and across barren pit floors. It is also harmful to vegetation.

There are two types of fine particulate matter. PM of 10 microns or less in diameter is the type of particulate matter that can travel for further distances. The more harmful type of particulate matter to our lungs is the one that's 2.5 microns or smaller, because that's the type that can enter in through the blood system and get into your lungs, and we have no biological mechanism for clearing that particulate matter from the body. Recent research has

shown us that fine particulates pose a greater danger to our health than better-known kinds of air pollution, such as smog, sulphur dioxide and carbon monoxide.

Every day in my email I get a new research study that is showing the increasing harmful effects of air pollution on our health. Silica dust is also common from processing sand and gravel and is a known carcinogen. The Ontario Ministry of Labour has strict guidelines in place for workers who come into contact with silica dust, requiring them at all times to wear respirators, yet there are no guidelines in place to protect Ontarians living near pits and quarries to protect them from being exposed to silica dust. This can lead to a disease called silicosis. I've included more information about that, and how silica enters into the body. There's also a direct co-relationship between silica dust and lung cancer, and quite a few studies to show the linkages with that.

The point that I'd like to make to the committee today is that there are no safe mitigation procedures when it comes to dust. They are either inadequate, relying on an operator to spray water to haul routes when they determine there are high winds—what happens when it's windy at night?—or they create additional adverse health effects: spraying chemicals on stockpiles, for example.

Other adverse air quality effects from aggregate operations would be diesel exhaust from trucking and other heavy equipment. Diesel is also identified as a known carcinogen.

The other point: Exposure to most air pollutants follows a gradient. Those living closer to hotspots experience higher exposures compared to those living further away.

Who's most at risk? People with existing respiratory or cardiovascular conditions, young children, the elderly, and those active outdoors, and it will still affect those who are otherwise healthy. Young children are included in the sensitive groups because, on a per-body-weight basis, they tend to inhale relatively more air than adults.

There are also weather variables—wind, inversion and topography—that I've included information on, but the bottom lines are that pits and quarries create ideal topography for trapping pollutants.

The air quality health index was developed by Health Canada to measure air quality in a way that would teach Canadians that there is a health impact. In the past, the AQHI just told you what the air quality was. The new air quality health index comes with advice on how to moderate your behaviour based on the air quality. The AQHI identifies ozone, particulate matter and nitrogen dioxide. Those are all pollutants.

The AQHI and our certified respiratory educators and other health care professionals teach patients to do trigger management of their asthma and COPD. So how we would teach you trigger management if you were on a high-AQHI day—10—or living beside a pit and quarry is to stay inside with your windows closed. We don't think that's an acceptable solution for our children or for other folks with respiratory illness.



Educating Ontarians about poor air quality is only one part of the equation; it isn't the solution. We need to focus on prevention. We have to work to improve our air quality. Ontarians who have the misfortune of living next to a pit or quarry should not be made prisoners of their own homes, yet this is the only way we can manage this.

I'll speak about the legislative context for a moment. An air quality technical report is not listed as a requirement under the provincial standards or ARA regulations. There are also no references to air quality assessment reports and no recommended monitoring reports. What can we do? The only safe mitigation is to stop approving industrial extraction in the midst of highly populated residential areas. The Ontario government has a responsibility to protect the health of Ontarians who live close to market.

My other recommendation would be: Ensure that air quality assessment reports and ongoing monitoring are mandatory under ARA regulations and provincial standards, and must include detailed analysis of specific mineral content; for example, silica.

Other legislation would be the Ontario Environmental Protection Act and provincial policy statements.

Some other health concerns would be vapour intrusion.

1810

I would like to speak for a moment about personal impact. We've been talking about virgin aggregate. I was an aggregate virgin until about six months ago, when we discovered that an old aggregate pit that had completed its extraction was about to be reopened, with a massive extraction—five times the size it is now—below the water table. We learned that there was something called a site plan amendment. I'd like to speak about site plans for a minute because I feel this is a dangerous loophole that exists in the current legislation.

MNR staff have the authority to make massive changes to site plans and don't even tell the public that they occur. I'd like to urge the committee to take a look at site plan amendments with the ARA review. With 6,900 abandoned pits and quarries in the province, if companies spend \$20 million for a new licence application, it's a whole lot easier to buy up an old pit or quarry and just have your local aggregate officer sign an amendment approving a massive extraction. In our case, this is in the Oak Ridges moraine natural linkage area, where below-the-water-table extraction is allowed, yet it's clear that the approval will be given even though it's clearly prohibited by legislation. It puts the residents in a position where their only course is to end up in a David-and-Goliath battle through the court system.

**The Chair (Mr. David Oraziotti):** Okay, I'm going to need to stop you there; that's time for your presentation. We're going to go to questions. You're going to have an opportunity to elaborate a little bit more. Mr. Colle, you're up first.

**Mr. Mike Colle:** Yes; thank you. I'm going to ask for information on that process with site plan approval and

what is entailed there. So I'm going to ask research to find out exactly what the rules are.

I was going to ask you a question about air quality. Right now in Toronto here, I've got people who are complaining to me because their carbon monoxide detectors are going off; they can't open their windows anymore. These are people who live on Dufferin Street, right in the middle of the city, and they can't open their windows. So, carbon monoxide: Where is that coming from?

**Ms. Cheryl Connors:** The carbon monoxide? I can't answer that. I'm not an expert on carbon monoxide; I'm sorry.

**Mr. Mike Colle:** And you can't smell it—I was just trying to find out what it was.

The second question I have is, we used to get regular smog-day warnings in the GTA. In the last couple of years, I can't recall a smog-day alert. What is happening?

**Ms. Cheryl Connors:** They've replaced it with AQHI. The AQHI you'd be hearing in Toronto is a one-to-10 system. Most summer days in Toronto are at the very high side, when folks highly at risk would be told to stay indoors and to not engage in physical activities. When it's in the eight-to-10 range, even people who are healthy with no other conditions will be asked to stay inside and avoid physical activities.

**Mr. Mike Colle:** But there's no such thing as smog days anymore?

**Ms. Cheryl Connors:** They use the AQHI monitoring system now. That's the tool that would be used to broadcast alerts on air quality.

**The Chair (Mr. David Oraziotti):** Thanks for your response. We need to move on. Ms. Scott, go ahead.

**Ms. Laurie Scott:** Sorry for the limited time, so I'll be quick here. Thank you for the background. It's very thorough. I'm a nurse also. We've had a lot of presentations. This is good that we're getting some health background.

I do have a question, though. When we were briefed by the ministry—and it's all on public record—they said that an expansion is considered a new application, so there should be notice given out there. I just wondered if you had a case where it wasn't, because that's what we were told when briefed.

**Ms. Cheryl Connors:** The word "expansion" is if it was involving new land, so, new land not included in the licence. But there is a footprint within that licence, an extraction footprint. If they owned 100 acres, they may only have permission to extract 20 acres of that 100-acre parcel. So an extraction expansion would be to go beyond the 20 acres where they're allowed, to make it 100 acres.

In our case, there will be no land use at the end of the day because they virtually are going to turn the entire 100-acre parcel into a below-the-water-table lake, and do so with a process that is secretive, in which they tell you that, legally, they don't even have to inform a single resident. We only found out about it at the very end of the process.



**Ms. Laurie Scott:** Okay. I know Mr. O'Toole had a quick question.

**Mr. John O'Toole:** I appreciate your input. It's a little bit different than the ones we've heard today.

For years, we've heard a lot about coal being the largest—I've been working with the Canadian Lung Association, meeting with them, and we're trying to develop what they call a lung strategy. That's something that we're working on collectively with other parties, I might say. We were told by the Environmental Commissioner that the largest contributor to particulate matter is actually unpaved roads. That's what the Environmental Commissioner told us here last week. Have you got any comment on that? I agree it's a significant issue. It needs to be dealt with directly in terms of site plan control, specific to this.

**Ms. Cheryl Connors:** I'm not sure where the quantitative evidence for the commissioner's comments is, but he would likely have more information on that. It does produce a lot of dust, so it doesn't surprise me. A lot of the dust problems in industrial extraction come from unpaved routes.

**Ms. Laurie Scott:** I just wanted to clarify that when I asked the question—we're going to actually ask research just to clarify what you were saying compared to what we were told by the MNR. So we'll have a record of the difference if there's not proper—

*Interjection.*

**Ms. Laurie Scott:** Yes. I appreciate that.

**The Chair (Mr. David Oraziotti):** NDP caucus: Go ahead, Mr. Marchese.

**Mr. Rosario Marchese:** You've heard many people talk about recycling, and I am a big proponent of that, and so are a few others. When we think about the environmental effects it has on people in terms of blasting and trucks and the particulates of driving and so on, when I think about the damage it could do to our water table—in some places more than others—and when I think about the taking away of prime land, I say to myself, we have to get better at recycling the material that exists so that we don't damage our environment and we don't damage our farmland by taking it away and don't damage potentially potable water. Have you thought about that, too?

**Ms. Cheryl Connors:** Absolutely. I agree. I think it's terrible that we aren't recycling more.

In our community in Palgrave, there are 7,000 people in the little, small pit—where this pit is located, two thirds of them are on private wells with no alternative source of water. This is a pit that has already had tremen-

dous adverse effects. When it was last operating in the 1980s, lots of people lost their wells. Ponds and streams dried up. You can see the wetland in the picture I included in the proposal; it's not there anymore. When I spoke to the Ministry of the Environment staff person about it, his response was, "Oh, well. It's gone now. You can't get it back, so who cares?" As a former public servant myself, the secrecy, the lack of transparency, that we had to hire lawyers to try to get access to information—I'm so offended by that. I took my oath as a public servant very seriously when I worked for six years in the Ontario government, that we were doing what was in the best interests of the public. The MNR staff really do behave like they are employees of the aggregate industry.

**The Chair (Mr. David Oraziotti):** Thank you. That's time for the presentation, and that's all of the presentations we have for today. The committee is adjourned.

**Ms. Sylvia Jones:** Wait, wait, I have a research request. May I?

**The Chair (Mr. David Oraziotti):** Go ahead. Put it on the record.

**Ms. Sylvia Jones:** We've had a number of deputations talking about recycling. Many referenced the UK model. Can we first get an overview of what they're doing in the United Kingdom and also, probably as importantly, how we can make some recommendations on how we could do a better job here in Ontario?

**Mr. Michael Coteau:** Can we not limit it to the UK—if there are any other jurisdictions that are leaders?

**Ms. Sylvia Jones:** Yes. Fair enough.

**The Chair (Mr. David Oraziotti):** Okay. Anything else?

**Ms. Sylvia Jones:** I have one question for the Chair. I am assuming, because you have not shared anything, that we have not heard back from the House leaders on whether we can travel.

**The Chair (Mr. David Oraziotti):** Correct.

**Ms. Sylvia Jones:** How do we go forward as a committee? Do we put another request in? Do we wait?

**Mr. Rosario Marchese:** Sylvia, I was hoping we might have heard something from the House leaders, and we didn't.

**Ms. Sylvia Jones:** Me, as well.

**Mr. Rosario Marchese:** So we should talk about that so that by Wednesday we will have something to recommend, right?

**Ms. Sylvia Jones:** Okay. Thank you.

**The Chair (Mr. David Oraziotti):** Okay. Committee is now adjourned.

*The committee adjourned at 1821.*



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Legislative Research Service



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## Legislative Assembly of Ontario

First Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Première session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 16 May 2012

# Journal des débats (Hansard)

Mercredi 16 mai 2012

## Standing Committee on General Government

Aggregate Resources Act review

## Comité permanent des affaires gouvernementales

Examen de la Loi sur  
les ressources en agrégats



Chair: David Orazietti  
Clerk: Sylwia Przewdziecki

Président : David Orazietti  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
GENERAL GOVERNMENTCOMITÉ PERMANENT DES  
AFFAIRES GOUVERNEMENTALES

Wednesday 16 May 2012

Mercredi 16 mai 2012

*The committee met at 1603 in room 228.*

## SUBCOMMITTEE REPORT

**The Chair (Mr. David Oraziotti):** Good afternoon, folks. Welcome to the Standing Committee on General Government. We're here to continue hearings on the Aggregate Resources Act. Before we do that, we've got a subcommittee report to discuss, so I'm going to ask Ms. Scott to read that into the record. Ms. Scott?

**Ms. Laurie Scott:** Thank you, Mr. Chair.

Your subcommittee on committee business met on Monday May 7, 2012, to consider the method of proceeding on the motion moved by Mr. Smith pursuant to standing order 111(a) with respect to a study on grid-lock in the greater Toronto area and the national capital region, and recommends the following:

(1) That the committee meet for the purpose of holding public hearings on Monday, June 4, 2012, and Wednesday, June 6, 2012, in Toronto.

(2) That the committee clerk post information regarding public hearings in the Toronto Star, the Ontario edition of the Globe and Mail, the Ottawa Citizen, and Le Droit for one day during the week of May 21, 2012.

(3) That the committee clerk post information regarding public hearings on the Ontario parliamentary channel, the Legislative Assembly website and Canada NewsWire.

(4) That interested parties who wish to be considered to make an oral presentation contact the committee clerk by 12 noon on Tuesday, May 29, 2012.

(5) That an invitation be sent to the Ministry of Transportation and that this organization be offered 20 minutes for their presentation followed up by 30 minutes for questions on a rotational basis by committee members.

(6) That an invitation be sent to Metrolinx and that this organization be offered 20 minutes for their presentation followed up by 20 minutes for questions on a rotational basis by committee members.

(7) That invitations be sent to the Toronto Transit Commission and OC Transpo and that these organizations be offered 15 minutes for their presentations and 10 minutes for questions on a rotational basis by committee members.

(8) That invitations be sent to the city of Toronto, city of Ottawa, York region and Durham region and that these organizations be offered 15 minutes for their presenta-

tions and 10 minutes for questions on a rotational basis by committee members.

(9) That if the city of Toronto, city of Ottawa, York region and Durham region are unable to present at committee, invitations to be sent out to Halton and/or Peel region and that these organizations be offered 15 minutes for their presentations and 10 minutes for questions by committee members.

(10) That the length of presentations for witnesses be 10 minutes, and five minutes for questions on a rotational basis.

(11) That, in the event all witnesses cannot be scheduled, the committee clerk provide the members of the subcommittee with a list of requests to appear.

(12) That the members of the subcommittee prioritize and return the list of requests to appear by 12 noon on Wednesday, May 30, 2012, and that the committee clerk schedule witnesses based on those prioritized lists.

(13) That the research officer provide the committee with background material by June 4, 2012.

(14) That the research officer provide the committee with a summary of presentations.

(15) That further public hearing dates be scheduled at a later date outside of Toronto, pending authority from the House.

(16) That the deadline for written submissions be determined at a later date.

(17) That the committee clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

I move that the subcommittee report be adopted.

**The Chair (Mr. David Oraziotti):** Ms. Scott moves adoption. Any further comments? Seeing none, all those in favour? Opposed? The motion is carried. Thank you very much.

AGGREGATE RESOURCES ACT REVIEW  
GREATER TORONTO COUNTRYSIDE  
MAYORS ALLIANCE

**The Chair (Mr. David Oraziotti):** We will move to the first order of business. The first presentation is the Greater Toronto Countryside Mayors Alliance.

Good afternoon. Welcome to the Standing Committee on General Government. You have 10 minutes for your



presentation, and there will be five minutes for questions. Any time you don't use for your presentation will be divided among members. If you can simply state your name for our recording purposes and proceed when you're ready.

**Mr. Rick Bonnette:** Rick Bonnette. Thank you very much for having me here today, and good afternoon, Mr. Chair and members of the Standing Committee on General Government. My name is Rick Bonnette, and I'm the mayor of the town of Halton Hills. I am here today in the role of vice-chair of the Greater Toronto Countryside Mayors Alliance to address the committee regarding the review of the Aggregate Resources Act.

By way of background, the Greater Toronto Countryside Mayors Alliance is made up of 14 near-urban, predominantly rural communities representing more than 650,000 Ontarians in the greater Toronto area. Municipalities included are such places as Milton, Halton Hills, Caledon, Uxbridge, Scugog and East Gwillimbury, right through to the other side of Toronto, including Pickering.

Our 14 municipalities produce about 21.4 million tonnes of virgin aggregate, approximately 14% of the provincial total. The GTCMA communities are stewards of much of Ontario's greenbelt lands, and while we accept and respect this important responsibility, it poses unique and difficult challenges. Quite simply put, the vast majority of the Greater Toronto Countryside Mayors Alliance communities have a significant rural area, and their economic base and their ability to provide municipal services are affected by the substantial economic restraints imposed by various provincially mandated policies, plans and legislation.

These challenges have been detailed in a comprehensive economic analysis prepared by the GTCMA in 2011, but the bottom line is that there are restrictions placed on our local revenue streams that are not faced by other GTA mayors and neighbours. This, of course, has implications for our ability to service the needs of our citizens. We must be creative in order to plan for progressive economic development, and, like many of our municipal colleagues, we struggle to build and maintain the infrastructure that supports our residents and businesses.

Quarries are here to stay and have benefits to the economy, but the question is, do the benefits outweigh the costs to GTA countryside municipalities? We recognize the value of the aggregate industry to our communities in terms of jobs, assessment and spinoff revenue. We estimate the real cost of heavy vehicle traffic associated with aggregate production on local roads, bridges, and culverts to be about 12 times greater than the 7.5 cents a tonne we are paid in royalties each year. Any review of the Aggregate Resources Act must begin to align these royalty payments with the real costs of aggregate production to local taxpayers.

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In a recent example of road resurfacing costs associated with damage caused by aggregate traffic, a 1.3-kilometre stretch of rural road in Halton Hills cost

\$344,000 to resurface—that's not reconstruct, just to resurface. That is \$250 a metre.

I've learned in the past couple of weeks that the aggregate producers have now initiated an appeal of their property assessments to MPAC. Of the 14 aggregate-licensed sites in the town, eight have appealed their 2009 to 2012 assessment, which, if obtained, would result in a \$2.6-million overall decrease in assessment, bringing about an almost \$1-million reduction in the town's share. For a small community like mine, that is a huge hit.

Communities are made up of innumerable small villages and hamlets connected by rural roadways. As aggregate producers open up new sites in our municipalities, these heritage communities are faced with social, environmental and indeed economic impacts from which many will never fully recover. Example: There's a new proposed Brampton Brick shale quarry 200 metres outside the Halton Hills border in the city of Brampton. The site is to be accessed by a two-lane roadway, Winston Churchill Boulevard. Heavy truck traffic will have significant infrastructure impact—cost to local tax base—not to mention the traffic safety issues. Environmental impacts include noise, excessive dust and a potential negative effect on water supply. These trucks will be going through the very heritage community of Norval, where Lucy Maud Montgomery had lived for eight years.

While the environmental and economic costs of aggregate production are challenging at best, the social, quality-of-life disruptions to our residents bring an indefinable, incalculable cost to the issue. Example: Holcim quarry/Dufferin has been a fixture in Halton Hills for 50 years. More than 100 trucks pass through the centre of Georgetown each day on rural roads, through school zones, residential areas and past retail business. Noise, dust and safety issues from the heavy truck traffic have all had an impact on the local residents' quality of life in Georgetown and the surrounding rural area.

Depleted quarries have also posed a challenge to the GTCMA municipalities. We believe the ARA must encourage more innovative and impose more environmentally stringent strategies for progressive rehabilitation of sites. I can assure you, some landowners are very creative when it comes to quarry rehabilitation. Example: In Scugog, one of our communities, new owners of former quarries are claiming depleted sites are aerodromes, thereby using federal aviation legislation to bypass municipal oversight. When concerns are raised over the nature of the fill being dumped in the abandoned pit, municipal staff is told that local bylaws don't apply since federal aviation regulations superseded them.

The source of drinking water for many rural areas is groundwater, and commercial fill is being dumped in pits that have been quarried below the water table—a serious health risk. Without access and authority to monitor these operations, local officials can't be sure what is contained in the commercial fill. In January 2011, GTCMA passed a resolution insisting provincial and federal authorities



spell out exactly who has jurisdiction with respect to fill operations in exhausted quarries.

We need to become much more deliberate in our efforts to manage not only the licensing and operation of our aggregate industry, but perhaps more importantly, ensure that the rehabilitation of spent quarries adds benefit to the economic, social and quality of life in the host communities.

The Aggregate Resources Act is perhaps one of the most complex and challenging pieces of legislation in Ontario, if not in Canada, and on behalf of my GTCMA colleagues, I would like to congratulate the provincial government for the desire to bring about real, positive change where it is needed.

I want to assure you the Greater Toronto Countryside Mayors Alliance will continue to be a committed partner. We want to provide positive, meaningful input and advice to the government in its deliberations on this very important piece of legislation.

On behalf of the Greater Toronto Countryside Mayors Alliance and its 14 member municipalities, Chair Oraziatti, I want to thank you for having this opportunity to come before the standing committee. Thank you very much.

**The Chair (Mr. David Oraziatti):** Thank you very much for your presentation.

Folks, we fell a bit behind last meeting just trying to get through all the questions, and rather than have one caucus ask questions for five minutes, trying to get rotation in, I just ask that one person from each party ask a question of the presenter, if we're going to get through that in five minutes.

Go ahead, Ms. Jones.

**Ms. Sylvia Jones:** Okay. Thank you very much. Thank you for your presentation, Mayor Bonnette?

**Mr. Rick Bonnette:** Yes, that's correct.

**Ms. Sylvia Jones:** My first question is, I guess, more of a comment. You're not the first presenter who has talked about the need for the levy to be increased. Just for clarification, in fact, the levy and what the rate is is not set out in legislation, so that could be changed without opening up the ARA and has been changed previously. But point taken about the fact that you want to see it increased.

One of the comments relating to the levy was that part of the interest in increasing the levy is to put some transparency in it to see where the money has been spent and would be spent, both on the MNR side and I suppose, by extension, on the municipal side. Do you have any thoughts on that?

**Mr. Rick Bonnette:** Yeah. If the levy is increased, I think it should go toward the local roads, the ones that are getting pounded every day. If it's something that we have to have a report on every year for transparency, I'm sure every municipality would be pleased to say, "Well, \$200,000 was spent on the 4th Line for restructuring or resurfacing." I don't think that's a problem at all.

**Ms. Sylvia Jones:** Does the Greater Toronto Countryside Mayors Alliance have a number that they'd like to see the levy increased to?

**Mr. Rick Bonnette:** A lot more than 7.5 cents.

**Ms. Sylvia Jones:** This is your opportunity.

**Mr. Rick Bonnette:** Well, I'm sure we would have to be reasonable, and it would be probably around 10 cents. I would think at least 10 cents. That would be a huge increase. That's up 25% from what's going on now. But when you look at the cost of restructuring, the cost of repairs, they've almost gone up 25%.

**The Chair (Mr. David Oraziatti):** Okay, thank you for that response.

Next question, Mr. Marchese.

**Mr. Rosario Marchese:** Thank you very much, Mr. Bonnette. Do you speak French?

**Mr. Rick Bonnette:** Un petit peu. Mon français est très mauvais.

**Mr. Rosario Marchese:** Pas mal, merci. No, I agree, but you're not the only one, as the previous speaker said, talking about the need for increasing infrastructure funds for local municipalities. So there's agreement that we need to increase it.

Some environmentalists are saying that it would be good to raise the fees in order to be able to hire inspectors, because the ministry has lost 40% of its staff or its money over the last 15 years or longer. It would be nice to have inspectors to send to some of those sites as well. Maybe we should increase it enough so that we could have money for inspectors and money for infrastructure support for municipalities. What do you think?

**Mr. Rick Bonnette:** I think that's a good point. I wasn't thinking about the inspectors.

**Mr. Rosario Marchese:** I understand.

**Mr. Rick Bonnette:** I wasn't thinking about that; I was thinking more about the municipality. But obviously, inspectors are very important. The example I gave in Scugog: They don't know what's in that fill. Obviously, you need the inspectors. I'm sure we'd be very supportive of that.

**Mr. Rosario Marchese:** And by the way, with respect to rehabilitation of some of these sites, the Canadian Environmental Law Association gave us a study that shows that about 8,000 or 9,000 places need to be rehabilitated, and at the rate at which we put money in, it would take about anywhere from 100 to 300 years to rehabilitate, and who knows in what state. It's pretty sad, isn't it?

**Mr. Rick Bonnette:** Yeah. But there have been some good examples of quarries that have been rehabilitated: Butchart Gardens out in Victoria, and that wasn't 100 years. So there are some that have been. If you have responsible quarry owners, they'll start doing it immediately rather than waiting until it closes.

**Mr. Rosario Marchese:** Thank you.

**The Chair (Mr. David Oraziatti):** Okay, thank you. Mr. Colle.

**Mr. Mike Colle:** Yeah, just quickly, Mr. Mayor, thank you for the very clear presentation with a lot of



meaning. What's the rationale that the companies are using for the appeal to MPAC?

**Mr. Rick Bonnette:** To be honest with you, I just found out about this about a week ago, so I haven't delved into it as much. I would just assume that they don't want to pay as much taxes—

**Mr. Mike Colle:** So it's with Halton Hills that they're located?

**Mr. Rick Bonnette:** It's across Ontario.

**Mr. Mike Colle:** So those 14—that's what I was going to ask you—

**Mr. Rick Bonnette:** That's 14 in our community, but many of the quarries across Ontario are all appealing, similar to what the golf courses did a couple of years ago—

**Mr. Mike Colle:** Okay, and we'll follow up on that. Thanks for bringing that to our attention.

The second thing is in terms of this aerodrome scheme here. What is an aerodrome?

**Mr. Rick Bonnette:** I wish I could answer that. I'm not from Scugog, but this is just—an aerodrome is obviously—I won't even try to pretend I know exactly what it is because it's on the other side of Toronto. I'm sorry, I can't answer that.

1620

**Mr. Mike Colle:** And we'll try and find out what it is. Anyway, thank you very much for the presentation.

**Ms. Sylvia Jones:** It's an airport.

**Mr. Rick Bonnette:** Well, it's an airport.

**Ms. Sylvia Jones:** It's an airport.

**Mr. Rick Bonnette:** It is an airport.

**Mr. Mike Colle:** So they're saying the quarry is now an airport.

**Mr. Rick Bonnette:** Yes, to bring fill—

**Mr. Mike Colle:** Where float planes land now. But they got this exemption through the federal ministry of transportation?

**Mr. Rick Bonnette:** Yes, and that's a huge issue in Scugog. Mayor Mercier is not pleased.

**Mr. Mike Colle:** Okay. Thank you for bringing that—

**The Chair (Mr. David Oraziotti):** Thank you. That's the time for your presentation. We appreciate you coming in today.

**Mr. Rick Bonnette:** Thank you very much, everybody.

#### LAFARGE CANADA INC.

**The Chair (Mr. David Oraziotti):** The next presentation: Lafarge Canada. Good afternoon and welcome to the Standing Committee on General Government. As you're aware: 10 minutes for your presentation. You can start by stating your name and proceed when you're ready. Thank you.

**Mr. Bruce Semkowski:** My name's Bruce Semkowski. Mr. Chair, committee members, thank you for the opportunity to speak with you today on this important public policy issue.

My name is Bruce Semkowski, and I'm the vice-president of aggregates in eastern Canada for Lafarge Canada.

I want to begin my remarks today by saying that we at Lafarge welcome the opportunity to participate in the review of the Aggregate Resources Act.

In the context of this review, as one of the largest players in the aggregate business with site locations in major markets in many rural communities, Lafarge brings a unique perspective to this committee. Our company ships more than 20 million tonnes of aggregate and has more than 160 licences to operate in communities across Ontario.

The Aggregate Resources Act was last modernized 15 years ago, and we support the legislative effort to update and renew this legislation. While we believe the existing act works, we think its application and intersection with legislation could be improved upon to better serve the needs of Ontarians and their communities.

Turning to page 3 in the handout, aggregate is a key industrial commodity that assists Ontario in creating jobs and economic growth through the construction and development of infrastructure. Our products build the roads, bridges, homes, hospitals and community centres that Ontario families use each and every day.

The Ministry of Natural Resources commissioned the State of the Aggregate Resource in Ontario study, and it is a valuable reference point. Two key points that it identified are:

(1) The GTA must import 50% of its aggregate needs; Toronto, Mississauga, Brampton, Newmarket, Aurora, Whitby and Oshawa must import 100% of their needs.

(2) There will be shortages of high-quality aggregate reserves within a 75-kilometre radius of Vaughan within a decade if we rely upon existing aggregate sourcing.

Turning to page 4, this visual illustration shows where the demand for aggregates is coming from and where we and other partners in the industry are providing the supply from. The largest importers and users of aggregates are the municipalities that make up the GTA, or the greater Toronto area. The largest suppliers are communities that surround the GTA. It is unlikely that this dynamic is going to change in the foreseeable future.

Turning to page 5, therefore, the key issue is, where will the future demand for GTA aggregates be sourced? There are many factors to consider. However, the one that I want to place front and centre is that for economic prosperity and environmental sustainability it is essential that aggregate supply is sourced close to aggregate demand. Ontarians consume large quantities of aggregates. Each citizen annually consumes less than one tonne of food but consumes 13.5 tonnes of aggregate.

Aggregates are heavy. To save costs and reduce environmental impact, we must minimize the movement of aggregates. Every kilometre reduced shrinks expenditure on infrastructure, the emissions of CO<sub>2</sub> and the overall cost to the environment and the economy.

In a market like the GTA, we have had the good fortune to have close-to-market reserves. This has



eliminated the need for major urban and industrial rail and/or dockyard infrastructure to support the importing of millions of tonnes of aggregates from rural areas many hundreds of kilometres away. One must remember that once the material's imported, it would still need to be transported by truck to its final destination.

Turning to page 6, the benefits to the economy and the environment of having a close-to-market supply of aggregate must be balanced against social impacts. We have a footprint in the communities where we are located. In order to be successful, we must work hard to reduce that impact. It is an important part of our day-to-day operations. We aim to be good neighbours and contribute to the social, environmental and economic well-being of the local communities where we operate.

We also place a great amount of importance in our company on working hard with community leaders, non-governmental organizations and concerned citizens. We know first-hand how important it is to engage with members of the communities where we're located, and we try to be as proactive as possible in communicating and consulting with them on initiatives.

It goes without saying that even though we may have the operational licence to work in a community, maintaining our social licence to operate is just as vital. We need the ongoing support of those communities where we work, and the only way we maintain that support is through ongoing community and stakeholder engagement.

More broadly, we support initiatives that bring together industry and stakeholders in order to enhance collaboration and co-operation, such as the Aggregate Forum of Ontario, which has brought industry and ENGO leaders together to work towards more sustainable outcomes.

At Lafarge, we firmly support sustainable resource development and biodiversity. We are working with the province to protect species at risk, and we are committed to progressive and final rehabilitation of our aggregate sites.

Turning to page 7, in an integrated global economy, where competition has never been greater, we believe that the government has a responsibility to ensure that Ontario can compete against the very best in the world to create prosperity here at home. At the same time, government also has a responsibility to ensure that jobs and economic growth are adequately balanced with the environmental and social needs of our communities.

Lafarge supports amendments to the Aggregate Resources Act that modernize licence approvals and reduce the red tape involved in the process for aggregate site development. New aggregate licence applications are significant and require proper oversight from government, but government also needs to be responsible to the industry in the process of reviewing applications.

All combined, there are more than two dozen laws and regulations that span the federal, provincial, and municipal sectors governing the licence application process. This process needs to be reformed. The current process is

cumbersome, costly and subject to lengthy delays due to overlapping of various responsibilities.

By providing regulatory certainty and transparency, the government can ensure access to local aggregates so that we can grow the Ontario economy. Ultimately, greater business investment will provide more jobs and increased economic activity, which in turn will benefit all Ontarians. The federal government has recently introduced administrative and regulatory changes with respect to resource development projects, and we encourage the committee to look at this as an example of reducing overlap and red tape and reducing timelines to reach important decisions on these complex projects.

One thing that cannot be overlooked, however, is the importance of community engagement through the permitting process. We believe it is important to have local community partners at the table when discussing local projects, and we support a longer time period for community engagement and consultation under the Aggregate Resources Act.

Turning to page 8, our second recommendation today is specifically related to the aggregate levy. Lafarge supports a significantly increased levy in order to sustain ongoing community development where quarries are located and to further support the Ministry of Natural Resources aggregate program and the management of abandoned aggregate properties program.

With respect to our municipal partners and our communities, we believe the revenues from an increased levy should be directed to infrastructure development and community projects. These funds should not be pooled into the general revenue base of municipal budgets; they should be put into a dedicated envelope to be used for vital and necessary infrastructure projects that benefit local communities in an environmentally responsible way.

With respect to the Ministry of Natural Resources, we also believe that increased revenue from an increased aggregate levy should be explicitly directed to the MNR's aggregate program and not to general revenues for the government of Ontario. Lafarge believes that the program is not adequately supported and requires additional resources to effectively review and process licence applications and enforce existing provisions of the act and the site plan. As such, this increased revenue will go towards greater compliance and enforcement of provisions under the act, so that every aggregate producer is operating on a level playing field and to the highest environmental standards.

#### 1630

In closing, the Aggregate Resources Act has served Ontario well. Continued economic growth will result in increasing demand for aggregates. This means that government, industry and the NGO community must continue to work together to ensure Ontario has a long-term and sustainable supply of aggregates to meet the current and future needs of all Ontarians. At Lafarge, we are committed to working with all interested parties in order to strengthen our industries and our communities.



Ontario needs smarter regulation and more certainty around the licensing process. This will lead to increased business investment in Ontario. Higher aggregate levies can lead to greater investment in community infrastructure and stronger enforcement of regulatory provisions. These are competitive advantages that will continue to keep Ontario's economy competitive. We believe these changes are evolutionary and strengthen an already robust piece of legislation.

And one last item before I finish—

**The Chair (Mr. David Orazietti):** I need you to wrap it up.

**Mr. Bruce Semkowski:** I've tabled a letter with the clerk inviting the committee to visit and tour our sites.

I'd be pleased to answer any questions.

**The Chair (Mr. David Orazietti):** Okay. Thank you very much for your presentation. Mr. Marchese, go ahead.

**Mr. Rosario Marchese:** Thank you. Mr. Semkowski, some quick questions. Do you export any aggregates to the US?

**Mr. Bruce Semkowski:** Yes, we do.

**Mr. Rosario Marchese:** How much of the total?

**Mr. Bruce Semkowski:** It's a much smaller amount this year, and the last several years. It's probably in the range of about three million tonnes.

**Mr. Rosario Marchese:** And what's that percentage-wise?

**Mr. Bruce Semkowski:** Of our business?

**Mr. Rosario Marchese:** Yes.

**Mr. Bruce Semkowski:** About 15% of the Ontario business, and we also operate many quarries on the Great Lakes as well, in the US.

**Mr. Rosario Marchese:** There are a number of environmental groups who say that applicants for aggregate licences under the ARA should be required to demonstrate need for aggregate extraction in a particular area. Do you agree or disagree with that?

**Mr. Bruce Semkowski:** I disagree with that. I've said in the presentation here that we have many communities that don't have any resource available to them. I look at the resource, and we believe that the resource is something for all Ontarians, not for one particular municipality. We have "have" and we have "have-not" municipalities in the province.

**The Chair (Mr. David Orazietti):** Okay, thank you. Next question?

**Mr. Mike Colle:** I want to applaud you for working with the government in protecting our endangered species in Ontario, and I hope you continue to do that.

The question I had is, in terms of the difference between using virgin aggregates and recycled aggregates, is there a possibility of developing a hybrid aggregate which mixes both so you get a high-grade aggregate that supposedly all municipalities want?

**Mr. Bruce Semkowski:** We do, in some instances, blend recycled with virgin aggregate. However, there are a lot of instances in the standards today in concrete and asphalt where you can't do that, although we do recycle a

large amount of asphalt and make it available. We recycle as much as we can.

**Mr. Mike Colle:** And your amount of recycling over the last number of years—is there any idea you can give us about the increase in the use of recycled material in your operations?

**Mr. Bruce Semkowski:** Well, with Lafarge, we've just come out with a branded product for recycle. We'd like to do more of it. The challenge is getting the feed of the recycled material into the —

**Mr. Mike Colle:** The what?

**Mr. Bruce Semkowski:** The feed. So you need a source of the rubble to be able to be close to where the demand is.

**Mr. Mike Colle:** Okay, thank you.

**The Chair (Mr. David Orazietti):** Okay, thank you for your question. Conservative caucus, question? Ms. Scott, go ahead.

**Ms. Laurie Scott:** Thank you very much for appearing here today, and for your presentation.

I'll just follow up a little bit with what Mr. Marchese said about shipping some of your product. Now, you have the—I guess the quarry, I'm sorry, at—

**Mr. Bruce Semkowski:** Manitoulin Island.

**Ms. Laurie Scott:** Manitoulin, right. Is that the only spot that you ship from?

**Mr. Bruce Semkowski:** No, we have quarries in Presque Isle, in Michigan; we have in Marblehead on Lake Erie as well. So we are moving aggregates around the Great Lakes.

The one thing I would say, too, is that coming from Manitoulin to the GTA is a long, long way and it's very hard on the carbon footprint. It takes a lot of fuel to come through Lake Huron, Lake St. Clair, Lake Erie.

The other thing I would say is that there is not the infrastructure, once you get it here—remember that each time that you handle it, you have to drop it and then you have to truck it to where it's needed, so the carbon footprint isn't exactly the same as just putting it on a boat and that's the end of it. I think people need to recognize that.

**Ms. Laurie Scott:** That's what I was wanting you to highlight. It's just not as easily done as said.

Now, do you ship all that product to the States from Manitoulin?

**Mr. Bruce Semkowski:** No. We've brought material into downtown Toronto. We have a dock in downtown Toronto, but it's economically very challenging to get it here. You're travelling it a long, long way, as I said, and environmentally, I don't believe it makes sense. The carbon footprint of that material coming out of Manitoulin to downtown Toronto is not very good.

**Ms. Laurie Scott:** Okay. I just wanted to clarify, because some people thought it was 100% that you sold to the States from the Manitoulin quarry. I just wanted to clarify that.

One quick question: You also mentioned in your presentation about streamlining the review process but enhancing local input, and you talked about extending the



time frame available to receive comments. How long do you think it would be appropriate to extend it to?

**Mr. Bruce Semkowski:** Presently, it's at 45 days. We think it should go to at least 120, and it could go to 180 days.

**The Chair (Mr. David Oraziotti):** I need to stop you there. Thank you very much. That's the time for your presentation.

#### CLEARVIEW COMMUNITY COALITION

**The Chair (Mr. David Oraziotti):** The next presentation is Clearview Community Coalition.

**Ms. Sylvia Jones:** Do we want to start, or do we—

**Ms. Laurie Scott:** It's only eight minutes.

**The Chair (Mr. David Oraziotti):** I think we should try and start the presentation; otherwise, we're going to be here for quite a while with individuals who have come and expected to be on at a certain time. We'll be here after 6, and if somebody makes a point of that on the time, we'll be calling the time at 6 if somebody makes an issue of that and the hearings will be over, so people who have scheduled to come—

**Ms. Sylvia Jones:** I have no issue with sitting beyond 6 o'clock to ensure that the people who have driven here can present. The reality is that we will need to stop for the vote, so the question is, is it better to get halfway through a presentation or—

**The Chair (Mr. David Oraziotti):** I understand that. Thanks, Ms. Jones. Let me just discuss that with the presenter.

Folks, are you comfortable with—there's seven minutes on the clock here. We can wait. We have to adjourn to allow members to go and vote, because, as you can tell, the bells are ringing in the Legislature, so—

**Mrs. Ruth Grier:** I can probably do my presentation in seven minutes if you want to then come back for questions. I'm happy to do that.

**The Chair (Mr. David Oraziotti):** You know, we need 30 seconds to get over there, but we're certainly prepared—

**Mrs. Ruth Grier:** It's up to you, Mr. Chair. I can wait.

**The Chair (Mr. David Oraziotti):** Why don't you start, then, if you're comfortable with that. We're prepared to come back and give you the balance of the time.

**Mrs. Ruth Grier:** Thank you. With me is Bill Saunderson, another former member of this place, and we are both members of the Clearview Community Coalition, and our chair, Janet Gillham, is in the audience.

CCC is a group of citizens who are concerned about the destruction of the Niagara Escarpment and the adverse effects of quarries on local communities. Clearview is a municipality in the northwest corner of Simcoe county, and the Niagara Escarpment, from Blue Mountain to Devil's Glen, is a wonderful resource for hiking, snowshoeing, nature study and other outdoor activities.

CCC was formed in 2009 when residents became concerned about an application by Walker Industries for

a new quarry just north of the highest and most scenic part of the escarpment west of Duntroon. CCC opposed the application at the Niagara Escarpment Commission, and the commission voted against the application. Walker Industries took the NEC refusal to a hearing. CCC and the NEC were then parties at a joint board hearing. That hearing began in May 2010 and ended in October 2011, and as yet, there has been no decision from the hearing board.

CCC is supported by hundreds of full- and part-time residents of Clearview as well as people from all over southern Ontario. Just last Saturday, we had over 250 hikers out hiking on the Bruce Trail as part of a fundraiser, and over 1,000 people made donations, large and small, to help us in our efforts to protect the escarpment.

We want to support the points the Environmental Commissioner made in his submission to this committee. The commissioner was subpoenaed as a witness on behalf of CCC at our hearing, and we share his concerns.

But we want to make five recommendations:

(1) The Niagara Escarpment plan area should not be considered as a long-term source of aggregate supply.

(2) To achieve an orderly phase-out of aggregate extraction in the NEP area, no new aggregate operations should be approved.

(3) Existing licensed aggregate operations should be permitted to fulfill all the provisions of their current licences but should not be permitted any expansions in either size or depth of the extraction area.

(4) The Ministry of Natural Resources should no longer remain the host ministry for the Niagara Escarpment Commission. Instead, responsibility should be returned to the Ministry of the Environment, where Premier Peterson placed it in 1990.

(5) Lastly, MNR must have the capacity to monitor aggregate operations and ensure compliance with licence provisions rather than allowing the industry to be self-monitoring.

The Niagara Escarpment is one of the most beautiful and cherished parts of Ontario, and runs from Niagara Falls to Tobermory. Public concern about protecting the escarpment began to emerge in the early 1960s. The concern was focused on the need to regulate—guess what?—the establishment and environmental impacts of aggregate operations on or near the brow. After much consultation, dozens of public meetings, and many compromises with the original recommendations, in 1985, then-minister Norm Sterling announced that cabinet had approved a Niagara Escarpment plan.

The 1,837 square kilometres protected by the Niagara Escarpment plan is only 0.17% of the area of all Ontario. It is 1.63% of the area of southern Ontario. That 1,837 square kilometres is 63% smaller than the area originally proposed to be protected by the Niagara Escarpment Commission in 1979. One of the compromises made in order to get the plan approved was that pits and quarries would be a permitted use in the “escarpment rural area” designation after application for a plan amendment.



Nearly 30 years later, pits and quarries have become enormous mines, many escarpment rural areas have been re-naturalized into woodlands, farms have been severed into lots and new homes built. Yet the boundaries of the “escarpment natural” and “escarpment protection” land use designations in the plan have not been updated in 27 years, allowing new aggregate applications to proceed in areas that clearly should be protected. It’s long past the time that aggregates should be removed as a permitted use in the Niagara Escarpment area. The escarpment has been designated by UNESCO as a world biosphere reserve.

The policy titled “New Mineral Resource Extraction Areas” in section 1.9 of the Niagara Escarpment plan should be repealed. It’s that simple and all you have to do.

In addition, as CELA has so cogently argued in their submission to this committee, applicants for aggregate licences should be required to demonstrate the need for extraction in a particular area, and the 2005 PPS should be modified to be consistent with this recommendation.

Furthermore, existing licensed aggregate operations should not be permitted any expansions in size or depth so that aggregate extraction is gradually phased out of the NEP.

**The Chair (Mr. David Oraziotti):** Ms. Grier, thank you very much. We’re going to just hold that thought. We’re happy to continue and give you the time. I just need members to be able to have the opportunity to vote.

**Mrs. Ruth Grier:** Thank you. You should take my submission with you; you can look at the maps at the back while you’re voting.

**The Chair (Mr. David Oraziotti):** Okay.

*The committee recessed from 1643 to 1652.*

**The Chair (Mr. David Oraziotti):** Folks, if everyone can grab a seat, we’ll continue. Thank you very much. I know that seating’s tight. Everybody’s finding a seat. That’s great.

Ms. Grier, it looks like you’ve got about five minutes or so. I’m being flexible on that, so just a ballpark for you. If you want to just continue. We appreciate your co-operation.

**Mrs. Ruth Grier:** Thank you, Mr. Chair. I wanted to move on to my recommendation number 4, anyway, and talk a bit about the plan.

When the Niagara Escarpment plan was approved in 1985, the Niagara Escarpment Commission was made an agency of municipal affairs. When Jim Bradley was Minister of the Environment, in his first incarnation, the commission was moved to MOE and remained there until 1997. Then responsibility was moved to MNR, where it remains today.

The purpose of the Niagara Escarpment plan and its underlying legislation is as follows: “To provide for the maintenance of the Niagara Escarpment and land in its vicinity substantially as a continuous natural environment, and to ensure only such development occurs as is compatible with that natural environment.”

Having the aggregate industry as a client of MNR and hence the NEC, while at the same time being responsible for protecting the escarpment, puts the ministry in an impossible position of irreconcilably competing interests. In the case of the Walker hearing, which we were involved in, the NEC opposed the application at the consolidated hearings board, while MNR continued to work with the applicant to help them secure approval.

You’ve already heard time and again from the industry, from the planners and from environmental groups that the existing aggregate approval regime is a mess. To quote the Ontario Professional Planners Institute: “Since MNR is responsible for both aggregate planning and (to a large extent) the protection of natural heritage, there is a perception that tradeoffs between these areas of interest should not be taking place within a single ministry.”

Moving the Niagara Escarpment Commission back to MOE would be a first step in reducing some of the conflicts that have been described to you.

You’ve also heard before that MNR’s capacity to enforce compliance with licences and rehabilitation plans is very limited. At the Walker hearing, we heard evidence that one official was responsible for monitoring, investigation and conducting enforcement for 180 quarries in the Midhurst district and that the ministry had one hydrogeologist for the entire province. MNR itself recommends no more than 150 pits for any one inspector. The capacity crisis has to end.

Ontario’s Environmental Bill of Rights emphasizes the need for precautionary principles to be applied to all environmental decisions. From the first steps in the aggregate approval process to the final rehabilitation of a worked-out quarry 30 or 40 years later, it seems that taking precautions to ensure the protection of our natural heritage is low on the priority list. This committee has an opportunity to make some long-overdue improvements to the way the Ontario government deals with aggregates. There are many, many people hoping you will do just that. Thank you, Mr. Chair.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation. The Liberal caucus is up. Mr. Flynn, go ahead.

**Mr. Kevin Daniel Flynn:** Thank you, Ruth, for coming today. I really appreciate your presentation and the clarity and the recommendations that are contained therein.

Fate has a funny way of working out. The first speaker, Rick Bonnette and I, were newly elected to Halton regional council in about 1985; we were both in our 20s. One of the first things we had to deal with was a landfill site. We were shipping our landfill to the States at that point in time. Nobody wanted it but we knew we needed it, and I think there’s a lot of similarities that I’m hearing today from a variety of presentations.

Somehow in your role as minister, my role as council, regional chairs, somehow we worked that out, and we’ve got a landfill site in Halton today that, as much as landfill



is the last resort, I think, by all indications, is working well. Somehow we got it right through all that.

**Mrs. Ruth Grier:** I think I gave it final approval.

**Mr. Kevin Daniel Flynn:** That's right; exactly. So is there anything you can draw from that exercise and this exercise?

**Mrs. Ruth Grier:** Well, certainly there's a lot to be drawn about consultation. It's laid out in the aggregates act. There is some pro forma consultation but there isn't the kind of discussion about options and alternatives that I think there ought to be.

Secondly, look at the recycling. I heard some of the figures in some of the presentations to you, but when you look at what's happening in other jurisdictions you can see that virgin aggregate is much less used. What's it, 14 tonnes per person here? I think it's six or seven tonnes per person in some countries in Europe. So I think we are profligate because it has been close to the GTA, and in doing so we are destroying irreplaceable parts of our province.

**Mr. Kevin Daniel Flynn:** Thank you.

**The Chair (Mr. David Oraziotti):** Ms. Jones?

**Ms. Sylvia Jones:** Nice to see you, Ms. Grier, Mr. Saunderson. I have a question related to page 3 in your presentation when you talk about the Walker hearing, and "the NEC opposed the application at the" hearing board "while MNR continued to work with the applicant to secure approval."

Now, I've never felt that it was MNR's role to work with applicants. I always felt that MNR's role was to make sure that the application was complete, but never to advocate for it. You are sending quite a different message there. Can you explain that or expand on that?

**Mrs. Ruth Grier:** I think I'm probably making a distinction between advocacy and providing all the information and assisting the applicant to update the various applications that had been in. The process was ongoing, while the hearing was there, that was going to look at the fundamental question of whether or not the quarry ought to be allowed.

**Ms. Sylvia Jones:** Okay. So you're not saying that they were playing an advocate's role. MNR was not playing an advocate's role in supporting the application; they were playing a regulatory role in ensuring that the application was complete before it went before a hearing?

**Mrs. Ruth Grier:** As an opponent at a 15-month hearing with not quite the legal, planning and professional assistance at our fingertips as the proponents had, when requests for information got answered very quickly for one side and it took much more digging for us to get it, we are in an adversarial position. These hearings are an incredible burden on citizens and on community groups. MNR is certainly not seen by many of us as an independent entity.

**Ms. Sylvia Jones:** That's concerning.

*Interjections.*

**The Chair (Mr. David Oraziotti):** Very briefly, we need to move on to the next question, so if you want to add something, go ahead.

**Mr. Rosario Marchese:** Bill, did you want to comment?

**Mr. Bill Saunderson:** No, I—well, yes, I do, but I know you're under time constraints.

The other thing from our point of view is, from an economic development, trading and tourism point of view—and that was my ministry here at Queen's Park—I think little consideration has been given to the economic development aspects and of the tourism aspects that quarries can damage. No doubt that is happening up there in Collingwood, where we have a huge tourism industry growing all the time. It started off as skiing; it has now moved into many other sports. From an economic development point of view, gravel pits, although they are bringing the gravel to the city for construction purposes, I think it's hurting the economic development of a community where you get the roads and the environment not as pleasant as it should be.

**The Chair (Mr. David Oraziotti):** Mr. Marchese?  
1700

**Mr. Rosario Marchese:** I want to thank you both for being here as former members, cabinet ministers, and now as interested citizens who have a huge interest in aggregates and the effects they have on the environment.

I had two quick questions, if there's time. First of all, to you, Ruth: When you were Minister of the Environment the Niagara Escarpment Commission reported to you. Maybe you can tell us what you did to prevent the escarpment from being used as a source of aggregates for the GTA, and, if you have time, to talk about the need. You heard the Lafarge representative saying that they ought not to do any studies with respect to need for aggregates. If there's time, you might want to comment on that as well.

**Mrs. Ruth Grier:** On the first point: Yes, the escarpment was one of my responsibilities and one I loved. We began a review of the Aggregate Resources Act. As part of that, we put a moratorium on any new quarry applications during the time in which the review of the act was being done. Sadly, the review of the act, as you will find, took longer than we had anticipated, so when the next government came in, the review of the act was not completed and the moratorium was lifted. The act, as it's emerged today, is what we have.

The other thing we did was that we were very careful in our appointments to the commission. The commission is made up of citizen appointees as well as municipal representatives. We were very diligent in ensuring that the people who were appointed as citizen members to what is almost, in many times, a sort of quasi-judicial commission were people without any interest in any particular industry and were there as advocates for the escarpment and the natural heritage and able to be totally independent in the views that they took.

**Mr. Rosario Marchese:** Thanks very much. I don't know whether you have a comment on Bruce Semkow-



ski's response to my question about demonstrating the need for extraction in a particular area.

**Mrs. Ruth Grier:** I think it's essential that the need, both in the area but also in a broader area—I mean, to say the need in that particular township where the quarry is is perhaps not realistic, but there has to be a better handle on what we need, what we use, where it's coming from and how much we can reduce what we're using. Applicants have to be cognizant of that and the applications have to be reviewed in that spirit.

**Mr. Rosario Marchese:** Thank you both.

**The Chair (Mr. David Oraziotti):** Thank you very much for coming in. We appreciate your presentation.

### EASTERN ONTARIO AGGREGATE PRODUCERS

**The Chair (Mr. David Oraziotti):** The next presentation: Eastern Ontario Aggregate Producers. Good afternoon, folks. Welcome to the Standing Committee on General Government.

**Mr. Erwin Schulz:** Erwin Schulz.

**The Chair (Mr. David Oraziotti):** As you're aware, you have 10 minutes for your presentation. You're on it already. Go ahead. You can proceed when you're ready. Just state your name for our recording purposes.

**Mr. Erwin Schulz:** We did bring a handout.

Good afternoon. My name is Erwin Schulz. I'm with the Karson Group in Ottawa. My colleague here is Domenic Idone of the Tomlinson Group, also based in Ottawa.

Eastern Ontario produces over 30 million tonnes of aggregate per year, 20% of the province's total. We also provide employment for over 8,000 people directly and indirectly. We would like to offer this committee some perspective on behalf of 14 companies that produce and use the lion's share of that 30 million tonnes.

Most of the companies that we represent are vertically integrated. In other words, we supply aggregates to consumers and to the projects that our own construction divisions undertake. These projects include hospitals, schools, roads, bridges, water and sewer systems, housing developments and the manufacturing of concrete and asphalt.

You've been inundated with facts regarding the importance of aggregates to the province of Ontario. Without regurgitating all of the data and based on our practical, hands-on experience, we wish to offer some additional emphasis.

We understand that we are not a popular industry. But we also know that we are an essential industry. Just ask the patient who requires medical care in a new hospital; ask the drivers how they like their newer, safer road. Even the people who brush their teeth in the morning probably don't even realize that aggregate forms the base of their toothpaste, but we do.

As contractors and consumers, we can tell you that on virtually any one of our construction sites on any given day, if our trucks don't deliver aggregate, the job stops. It

doesn't slow down; it stops. We are forced to shut it down and send everyone home.

We are not opposed to the review of the Aggregate Resources Act. We believe that the act has served the provincial interest well since its inception in 1997. We believe that this review can serve to streamline the application process and enhance the operational compliance of existing sites. We are also aware that this review has the potential to undermine the economic health of this province. And having read the Hansard, we are comfortable that this committee is dedicated to finding balance in an extremely complex issue, and we can ask no more than that.

The first issue I'd like to address is recycling. We can sit here and hypothesize that recycling 100% of construction site materials is simply a matter of will, but if you talk to job site supervisors, and we have, most will tell you that we need to improve the way we process recyclable materials. If a job site has enough room to set up proper processing equipment, one can produce an engineered, acceptable material that can be reused on-site. Those conditions don't always exist. So, rather than reusing an inferior conglomerate material, they put it on a truck and haul it to the nearest waste facility that will accept it.

The answer to that problem is really quite simple. All recyclable aggregate-based materials that cannot be properly reprocessed and reused on a construction site should come back to a licensed pit or quarry on the returning truck. These facilities have all the necessary equipment to reprocess the material and add it to the virgin aggregate. Provincial standards and specifications already allow for a significant percentage of recycled material to be added to the virgin aggregate. The next step is to demonstrate the reliability of the blended products to the municipal engineers who will, in turn, recommend their use. Reuse and conservation: Everybody wins.

Secondly, we recently read a blog where the author expressed a fear that mega quarries were the future. He or she suggested to this committee, "Address what will happen to the operators of small aggregate resources if a mega quarry becomes the sanctioned approach. What will small operators do when they are subjected to the monopolistic power of the Goliath-like mega quarry?"

So let's do that. Let's address that one. But as a prelude, I'd like to play out a scenario for you. You're a banker. I come into your bank and, after some small talk, you ask me what I need. I say, "Well, I've got a 200-acre parcel of land that has quality aggregate on it, and I'd like to borrow some money and develop a quarry."

"Okay. What's the value of your land today?"

"Oh, it's worth about a million dollars, \$5,000 an acre."

"Okay. How much do you need?"

"Well, I'll need anywhere between \$3 million and \$10 million."

"Really? And how long will you need that for?"



“Well, let me see. The process can take anywhere between three and 10 years, so I guess I’ll need it for 10 years.”

“Really? And what are your chances of success?”

“Well, I’m not sure, but lately it seems like 50-50.”

“Really? Now, let me get this straight. You want me to give you a \$10-million line of credit on a piece of property with a collateral value of \$1 million for an application that could take up to 10 years with no guarantee of success? Am I hearing this right?”

“Yes.”

Would you, as a banker, lend me that money? I doubt it. There is not a bank in Ontario that would lend any business or person that kind of money on those terms.

The government has always assured us that if we diligently followed the process as prescribed in the Aggregate Resources Act, and if our application was consistent with the provincial policy, we could be confident in the process.

Ray Pichette, in his deputation, assured this committee that the conditions imposed upon the applicant were very rigorous, and I quote: “Then there is a requirement with regard to reports. Reports are predominantly the science side of the equation—hydrogeology reports, particularly if there is potential for below-water extraction. Natural environment reports are required. Cultural heritage reports are required. Haulage road reports are required. There can be noise requirements etc. These are all articulated in the standards, in terms of upfront, minimum-requirement reports that we expect to see. Also in there now is a requirement we introduced in 1997 that they need to be done by qualified individuals.”

We agree with Mr. Pichette. The Aggregate Resources Act does have rigorous requirements. Unfortunately, the consistency that we, as investors, have historically relied upon is being eroded. We have witnessed the introduction and application of conditions and tactics that are clearly superfluous to the process.

We can assure the blogger that if this review does not streamline the process and return confidence to the investment community, there will be no new small operators.

Concurrently, larger operators and investors, faced with a much riskier return on investment, will be forced to offset that risk with size and, by default, mega quarries will become the sanctioned approach. That’s a mathematical certainty.

Finally, we’d like to comment on close-to-market sources. The Environmental Commissioner has stated that close-to-market aggregates are a moot point. He and much of the concerned public suggest that future aggregate will eventually come from sources in northern Ontario anyway, so let’s just bite the bullet and get it done.

Assume we do that. Let’s bite that bullet. As a businessman, why would I care if the source is 300 kilometres from the market? One of my primary concerns is the bottom line, so I’d just transport my aggregates in bulk, either by rail, marine or truck. My top line would

be about the same, and my bottom line, if I manage the business properly, should be the same also. It’s a wash, so why would I care?

Well, I care because I read the 2010 State of the Aggregate Resource in Ontario Study and then spent a little time with a calculator. The SAROS report suggests that the massive distribution network for marine or rail is currently not in place and is going to require a dedicated infrastructure program of massive proportion. We can’t imagine how and when this will happen. So the short answer is, we’re probably going to truck it.

The province’s current infrastructure budget is \$35 billion over three years. We realize that without increasing taxes, cutting programs or, even worse, borrowing money, that \$35 billion is a finite pot of money. Over the three-year period, the province will produce approximately 510 million tonnes. Let’s make an assumption that 50% of the aggregate will remain close to market. That leaves 255 million tonnes that we need to truck. You know from the SAROS report that the public authorities consume about 60% of that aggregate. Again, from the report, the average cost of delivering one tonne of aggregate to the market in 2009 is \$9.46. The cost of owning, operating, maintaining, and realizing a return on a truck is about 10 cents a kilometre. If we have to go another 250 kilometres for the aggregate, the cost of the province’s aggregate supply has increased by \$3.8 billion, or 11% of the infrastructure budget. I think if we call the infrastructure ministry and tell them to cancel 11% of their planned projects, they might give us a quick lesson on the economic consequence of increasing the infrastructure deficit.

To recap:

(1) Recycling materials and adding to virgin aggregates will create quality products and conserve aggregate resources.

(2) Uncertainty in the application process will paralyze new investment.

(3) Far-from-market sources will negatively impact the infrastructure deficit and, ultimately, the economy of this province.

We understand that the task before you is not an easy one. You have, and will continue to have, input from a huge variety of interests. Everyone here, including us, has some vested interest in the outcome of your deliberation. The task ahead of you is, to say the least, daunting. As producers, consumers, investors and taxpayers, we ask that in your deliberations you don’t ignore the math.

Thank you for your time.

**The Chair (Mr. David Oraziotti):** Thank you, folks. Given the time on the clock, I think we’ll postpone until—

**Mr. Mike Colle:** This has been going on for two months: bells, bells, bells.

**Mr. Rosario Marchese:** David, are we coming back for questions?

**The Chair (Mr. David Oraziotti):** Folks, members need to vote, so we’re going to just recess until members have that opportunity. We’ll come back, and we’ve got



five minutes to ask you questions about your presentation if you—

**Mr. Erwin Schulz:** That gives you guys too much time to ask questions I won't have the answer to.

**The Chair (Mr. David Oraziatti):** We appreciate the opportunity. Thanks for your co-operation.

*The committee recessed from 1713 to 1722.*

**The Chair (Mr. David Oraziatti):** Okay, folks, we'll continue. Thanks for your co-operation and indulgence here. We've got a few minutes for questions, so Ms. Scott will start off the Conservative caucus. Go ahead.

**Ms. Laurie Scott:** Thank you very much for appearing here today and for noticing what went on in committee before and rebutting some of the comments and analysis. It is good to put things in perspective every once in a while.

You mentioned several things, and I can only ask about one question here, I think, but recycling: We've heard that the province is doing a good job at using recycled materials and the municipalities are not. You mentioned municipal engineers. Is there something—that they do not feel the recycled material is of good quality? Because it seems from all the reports we've got that it is. I just didn't know what was the municipal barrier.

**Mr. Domenic Idone:** In eastern Ontario, in Ottawa in particular—I think the city of Ottawa is taking a more proactive approach with it—we're not having those problems. We have the ability to request—to ask—to substitute materials, and sometimes, in a lot of the cases, we are successful.

The reason why we do it is because the product and the message we're trying to get across is that getting these recycled materials into a facility, a licensed facility like a pit or a quarry, which has the equipment and is properly sited, has the safeguards that can actually produce a quality material. You can control the input and the output and you can get it. So we're having good luck in the east.

I think that should be something that, as part of this review, you continue to be encouraged about. I know that with any new applications that we've gone through with the MNR lately, that's been one of the issues that they've pushed as well, to be able to recycle material in our—

**Ms. Laurie Scott:** I don't know what you need to recycle, but is there a problem getting any type of rezoning or permitting for recycling on your sites at all from the MNR? Is that something we need to look at?

**Mr. Domenic Idone:** There have been some concerns. In some of the processes at the municipal level, I know there have been concerns about the material coming in. That's why I say, in a licensed facility like we have, you have the safeguards already in place. You have not only the licence, but you have the other pieces of legislation: your permit to take water and your testing of that water as it goes off-site, the sewage discharge permit. You have those safeguards that are in place that allow you to control and see what's coming off to ensure that you're not contaminating. So we've been able to work with our local politicians to address those issues.

**Ms. Laurie Scott:** Thank you.

**The Chair (Mr. David Oraziatti):** Thank you. NDP caucus: Mr. Marchese.

**Mr. Rosario Marchese:** Thank you both, Mr. Idone and Mr. Schulz.

Mr. Schulz, I've got a question for you. Of the 30 million tonnes of aggregate that you extract, how much goes to the US?

**Mr. Erwin Schulz:** None.

**Mr. Rosario Marchese:** So none of your—that's good to hear. Many people are concerned, as you would imagine, because it does create jobs, I understand, your industry, but a lot of people who have come here in the last week and a half have huge concerns about the environment, about the taking away of good farmland, about water problems, including infrastructure damage to municipalities. So there are huge concerns. You're going to have to deal with them on a regular basis, and we politicians are going to have to deal with that on a regular basis.

**Mr. Erwin Schulz:** Absolutely.

**Mr. Rosario Marchese:** So we're concerned about how much is extracted that goes outside of the country, in terms of what we need versus what we extract that goes elsewhere. That's a concern for me and many. Connected to all this is that there is a growing desire, of course, to conserve based on what we need, and recycling. You touched on that. I'm very keen, and many people are keen, on the need to recycle as much as we can. Then we need to ask: Who should be doing that? Are you a big part of that?

**Mr. Erwin Schulz:** Yes.

**Mr. Rosario Marchese:** Is it government regulations that need to happen? What do we need to do?

**Mr. Erwin Schulz:** Well, we need to produce a product that we can take to the municipal engineers who have a ring and look for the gold standard. They're not going to take crappy material. They want good material. So if we can give them a good product and demonstrate to them that this is a product where your building is not going to fall down, your bridge is not going to fall down, then they recommend it to the municipality and the whole thing will take off.

*Interjection.*

**The Chair (Mr. David Oraziatti):** You have something brief? Go ahead.

**Mr. Rosario Marchese:** Many have said that we need to increase the levies. Many in your industry said that we should do that. You probably agree with that, right?

**Mr. Erwin Schulz:** I agree that a lot of people have said that, yes.

**Mr. Rosario Marchese:** But you don't agree with increasing levies? Is that what I hear you saying?

**Mr. Erwin Schulz:** Well, actually, there are benefits to it.

Do you want to take this one?

**Mr. Domenic Idone:** Yeah. Again, in eastern Ontario, we're finding that the levy—from our standpoint we feel it's adequate, but if there is going to be an increase in the



levy, where we would like to see it go is towards the MNR's aggregate program. That will help with some of the concerns that people have had with—

**Mr. Rosario Marchese:** Enforcement, inspectors.

**Mr. Domenic Idone:** —enforcement, compliance.

**Mr. Rosario Marchese:** We agree with that. What about infrastructure for municipalities?

**Mr. Domenic Idone:** Well, if there's any left after that, that's where we think it should go. We don't want to see it go into the general coffers of the province. It should go back into an infrastructure fund.

**The Chair (Mr. David Oraziotti):** Good. Thank you. We appreciate the response.

Liberal caucus: Mr. Colle.

**Mr. Mike Colle:** Thank you. Yes, your vested interest aside, Mr. Schulz, an excellent presentation; excellent.

I was just thinking that it takes nine or 10 years for the process for approval. What if we scoped it down to five years? You would save money, right? Because time is money, big money. All the lawyers and planners certainly might not like that, but if we scoped it down to five years and, in return, you would pay higher levies to support the impacts of the industry and also put more money in the rehabilitation trust—if we could work out those figures to the industry's satisfaction, would it make sense, or am I just being too naive in saying—

**Mr. Erwin Schulz:** I think absolutely we should sit down and try to figure out how to streamline the process and see where we can help and where—a contribution to the municipalities or whatever we need to do, we're certainly willing. We're members of the community; we have kids and stuff. We want to see everyone be successful. So, absolutely, we're willing to sit down.

**Mr. Mike Colle:** And then this very interesting point you made about these mega quarries: that perhaps we're almost driving the whole situation into more mega quarries, because a small quarry can't get through the process.

**Mr. Erwin Schulz:** Absolutely. It's going to end up there.

**Mr. Mike Colle:** So should we look at ways of perhaps, again, streamlining, scoping the applications for small quarries, so we won't get the mega quarries?

**Mr. Erwin Schulz:** Well, you need to re-evaluate the process that the smaller quarries have to go through because, as I explained in my presentation, it's almost financially impossible. Unless you are self-financed, you're not going to borrow money to open a quarry. You're just not going to be able to do it.

**Mr. Mike Colle:** So therefore, we get the derivative guys coming in from Boston to basically finance the quarries.

**Mr. Erwin Schulz:** I don't know anything about that. I'm sorry; I can't comment.

**The Chair (Mr. David Oraziotti):** Thank you very much. That's time for your presentation. We appreciate you coming in today.

## SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE AGGREGATE

**The Chair (Mr. David Oraziotti):** The next presentation is Socially and Environmentally Responsible Aggregate. Good afternoon. Welcome to the Standing Committee on General Government. You have 10 minutes for your presentation, as you're aware. I don't hear bells yet, so we might get through all of this in one shot. Just state your name for the purposes of our recording Hansard, and you can begin when you're ready.

**Mr. Lorne Johnson:** Great. Lorne Johnson. I'm the executive director of Socially and Environmentally Responsible Aggregate. It's a bit of a mouthful. We tend to use the term SERA to refer to it.

1730

Thank you, Mr. Chair and members of the committee, for accepting our request to appear here this afternoon.

As I said, I am the executive director of SERA. It is a not-for-profit organization with a mandate and mission to create, administer and promote widespread support for certification of responsibly sourced aggregates in Ontario.

In the last year, our organization has been convening a diversity of stakeholders—industry, municipal voices, First Nations, local community groups and NGOs—in what has developed into a consensus-based process to develop a set of voluntary standards on social and environmental issues for the aggregate sector in Ontario.

As you continue review of the ARA, you will hear from a number of the individuals, companies and organizations that participate in our work; I think you already have. I just want to be clear about something: I am here today not speaking on behalf of any of them but, rather, I'm speaking on behalf of myself and the organization I represent that is the convenor of these organizations and helps to resolve some of the disputes, helps bring them closer together on some of the hot-button issues and to try to codify those in a set of voluntary standards.

I guess I'd also say that I am not an aggregate expert by any stretch of the imagination. I suspect that every person behind me right now in this room knows far more about the aggregate sector than I ever will, but I have spent the bulk of my career working around resource conflicts and environmental conflicts, and helping industry, First Nations, local communities and environmental groups to actually resolve those differences, often the result being trying to codify those and other agreements or practices, so it's in that background and experience that I'm largely coming to you.

If you're interested, copies of our draft standards are available on our website. We're in the process of revising those standards based on the input from that array of stakeholders I just said, and we will be releasing those for public comment later in the summer and the fall.

Before proceeding, I also want to recognize that there is indeed another organization called the Aggregate Forum of Ontario, or AFO, that is also in the process of developing voluntary certification standards for the ag-



gregate sector. It too is a mixture of NGOs and progressive industry with a similar mandate to ours.

Just in order to kind of avoid a question I often get asked and to kind of pre-empt it, I would just go on the record as saying, for the sake of trying to avoid duplicating efforts, competition for scarce resources and simply embracing the spirit that there is safety in numbers: Representatives of our organization and the Aggregate Forum of Ontario are in the midst of good-faith discussions around a potential integration or a merger of those two initiatives.

Before taking on my current role, I spent a large chunk of time developing voluntary, third party environmental and social standards for the forest industry in Ontario and elsewhere in this country. In fact, up till last week, I was serving as the acting president of the Forest Stewardship Council of Canada, which is the FSC. It's the little logo you often get on paper or lumber that certifies it as coming from a responsibly managed or well-managed forest.

From those experiences, I've seen first-hand the ways that voluntary standards can interact with regulations, regulation review and revision of regulations. In a nutshell, I think I've got really three key messages, but the first of them today is that voluntary standards, in my view, can be a great complement to good and smart regulations but are in no way a replacement for those.

Regulations are there to set a clear industry-wide—across the whole industry—bar for what are acceptable practices on a range of issues. On the flip side, voluntary standards and voluntary best practices can provide incentives for individual companies to go above and beyond regulatory requirements. So, simply put, in my view, regulations and voluntary standards offer uniquely different niches and are somewhat complementary.

While not universally true, in my experience, voluntary standards initiatives like ours and like others—there are lots of them out there on different sectors—can also be helpful by providing a space for these disparate interests to try to resolve their issues in a way that is unencumbered by potential policy outcomes that are always at stake whenever government convenes those discussions.

In my experience, often, when government is convening stakeholders around those discussions, you tend to get quite positional bargaining or positional negotiations and points of view. Interestingly, while we do have the MNR as an observer at our table, they're actually not the primary convenor. So I find that voluntary standards initiatives can be helpful in actually, to some extent, kind of toning down the conflict in the debate surrounding some of these policy discussions. While not always true, at least in my experience, as a rule, generally, the lower the temperatures and the less the conflict, the more thoughtful and deliberate the policy review and revisions can be made.

The second point that I was going to make—and to some extent you've kind of pre-empted me on this—was to encourage you to take the time to hear from the diver-

sity of views that are out there in the course of your work. I suspect you were somewhat surprised by the degree of public interest in this issue. Maybe not; okay. It is about as topical an issue as you can get in this province right now. In short, I just want to say that I am very pleased to hear that the standing committee has decided, in the second phase, to travel to some of the communities where these issues, these debates have been front and centre and actually hear from the voices that are out there.

While there are strong opinions on all sides in the debate in these regions, in my experience in talking and working with a number of these folks, even the most ardent supporter or detractor of an aggregate application, in my view, has ideas and even solutions that can be built upon. Often, it requires kind of cutting through some of the stuff and trying to get at what the underlying interest is, but doing that and taking the time to do it can be quite helpful.

Finally, I just wanted to share with you some of the hot-button issues that we've been hearing from the different stakeholders that we've been convening over the course of our work over the last year. Again, I just want to reinforce, at least in our experience, that there seems to be a surprising appetite out there from a number of the groups, a number of the folks at the back of this room, to work towards sort of mutually acceptable solutions. There is a strong appetite for that.

The first, and I think you've heard it here already: time limits. We've heard from many stakeholders at our organizations that establishing some degree of certainty amongst communities as to when operations will cease would address a number—not all of the concerns but a number—of the concerns that the communities have. A one-size-fits-all approach saying, "The term is going to be X" is not going to work, but there are approaches that could be developed that I think are workable.

In terms of rehab, you've heard it. More needs to be done. We still have a large inventory of unrehabilitated pits. I think the history and legacy of those no doubt actually plays into the degree of public scepticism that's out there. More can be done in terms of accelerating the rehabilitation of this legacy of unrehabilitated sites that we've got.

Municipal and community involvement: There is clearly an appetite for more and earlier community and municipal involvement in proposed new aggregate operations. I was taught a new term over the last year from some of the community groups, and they referred to it as the DAD principle. They refer to that as the decide, announce and defend paradigm that they feel that we're in today. I'm not offering a comment on that, but there seems to be a sense that that's where we're at today, and they would really like to get out of that. There is an appetite for early involvement in some of these decisions. On the flipside, if you talk to the industry, on the first hand they'll say that they have legitimate concerns about raising alarm bells in communities on what is potentially a purely hypothetical development. On the flipside, I



think they're also concerned, and they're legitimate concerns about, for instance, revealing their hands to their competitors too early in the process. That being said, these two views, the desire for municipalities and community groups to be involved earlier on and the legitimate interest around competitiveness and not fanning the flames of communities, can be addressed.

Last but not least, I'll just say that enforcement is an issue that has been raised time and again. While our voluntary standards can help with transparency, they're not a solution for it. Clearly, MOE and MNR need a stronger mandate and more resources to do it.

Actually, one last thing, if you'll give me about 30 seconds: You'll hear about "closer to market" over and over again. I'm not really sure that Gord Miller actually meant to say that it's a moot point. It's not a moot point, but at some point it's going to be a moot point. At some point in the next 10 years from now, 20 years from now, we will have depleted these close-to-market resources, but the demand is not going to go away. The demand for aggregate resources is going to continue to be there—and I think this is the role of government, to be honest, and it may not be your role right now as the standing committee—but somebody in government needs to start thinking about: How do we access resources beyond that close-to-market fringe in a way that is economically viable to the point of the eastern Ontario manufacturers and that can be done in a way that respects the interests of the environment and local communities?

Anyway, thank you very much.

**The Chair (Mr. David Oraziotti):** Thank you for your presentation. The NDP caucus is up: Mr. Marchese.  
1740

**Mr. Rosario Marchese:** Yeah. Mr. Johnson, welcome. I have to tell you, I'm not a big fan of self-regulation—never have been, never will be, I don't think. I don't think it works.

I understand what you say, that "voluntary standards can provide incentives for individual companies that are willing to go above and beyond regulatory requirements." It's a nice thought. It may be even true. I just don't think it is. I really believe that when you have oversight and greater transparency, particularly through oversight, people are more honest. Transparency and oversight make people honest, in general, is my view. When you see that the ministry has been cut by 40% in terms of their budget, there is no enforcement and there are very few inspectors, we are at the mercy of the aggregate sector doing the right thing. I don't see it. A quick comment?

**Mr. Lorne Johnson:** I guess we'll just have to agree to disagree on that one. I mean, I agree with you that there is a strong role for smart regulation—this is no substitute for that—but I personally have seen dramatic changes in practices and transparency in sectors like fisheries, forestry, trade in diamonds; all sorts of things as a result of voluntary standards.

Don't get me wrong: I'm not suggesting it's a replacement. But have there been massive changes in terms of

social and environmental performance as a result of it? Absolutely.

**Mr. Rosario Marchese:** I should also say that with respect to time limits, I think that the communities in general and citizens and other groups feel strongly that there should be time limits in terms of when operations will cease, and I tend to lean in that direction. I understand one size doesn't fit all, but I think it would give communities a great sense of satisfaction to know that it begins here, might end there, and then we rehabilitate, and I would like to have time-specific limits for rehabilitation so that it doesn't take 100 to 300 years.

**Mr. Lorne Johnson:** I agree, and the companies that I've worked with are also trying to wrestle with this issue around certainty and to provide some greater certainty. I think there are solutions. I don't think it's one-size-fits-all, but there are solutions to provide greater certainty around time limits.

**The Chair (Mr. David Oraziotti):** Okay. Thanks. We're going to move on. Mr. Colle.

**Mr. Mike Colle:** Thank you very much for an excellent presentation, Lorne. I really commend you and SERA for really being proactive and bringing some of the good players together in trying to find some co-operative solutions. I think part of our long-term strategy that the government's got to look at is bringing people together and at least doing some of the work in a co-operative way. I think that is to be commended—the First Nations, municipalities and everyone.

I guess the question that I had is, perhaps—there is the Forest Stewardship Council. Is there a comparable body here for aggregates, an aggregates stewardship council?

**Mr. Lorne Johnson:** Not at present. In fact, that's what we're almost trying to get going here.

**Mr. Mike Colle:** And getting there would, you think, help get more upfront co-operation, more upfront good things done, rather than waiting till after the process at the Ontario Municipal Board etc.?

**Mr. Lorne Johnson:** That's clearly the hope of the communities, the representatives who are at our table and the companies themselves, which is: Is this a way to, while government does its work, the ARA review has to take place, but is there a way that we can try to resolve our differences and codify them in a form of standards that, in effect, if applied and then monitored and audited by independent third party auditors, may not completely get rid of those 10-year, \$20-million processes, but will they expedite them? I think the hope is that they will.

**Mr. Mike Colle:** Because up until now, that hasn't gone on at all, basically. It's been very ad hoc, piecemeal, municipality-to-municipality. There's been no co-ordinated attempt between all the stakeholders to try to come together at least to mitigate some of the contentious issues.

**Mr. Lorne Johnson:** I wouldn't disagree.

**Mr. Mike Colle:** Okay.

**The Chair (Mr. David Oraziotti):** All right. Thank you. Ms. Jones.



**Ms. Sylvia Jones:** Thank you, Mr. Johnson. Just a point of clarification: While you were absolutely correct that we did pass a motion in committee expressing our interest to travel, we have not received the approval to do so.

**Mr. Lorne Johnson:** Okay, I'm sorry. I misunderstood.

**Ms. Sylvia Jones:** So I do not want to leave that on the record as thinking—

**Mr. Lorne Johnson:** I hope you do.

**Ms. Sylvia Jones:** Well, amen, brother. I agree.

**Mr. Rosario Marchese:** It's being worked out.

**Ms. Sylvia Jones:** We're working on it.

My question is—and I understand you are relatively new to SERA?

**Mr. Lorne Johnson:** Well, SERA itself is only about a year old.

**Ms. Sylvia Jones:** A year old?

**Mr. Lorne Johnson:** Yeah.

**Ms. Sylvia Jones:** And you've been the executive director for—

**Mr. Lorne Johnson:** Right from the get-go.

**Ms. Sylvia Jones:** Okay. Who pays you?

**Mr. Lorne Johnson:** The bulk of our funding, three-quarters of it, comes from charitable foundations. That would include the Trillium Foundation, thanks to the Ontario government. I mean, it's on our website, all of our funders. The Schad Foundation contributes funding; the EJLB Foundation, which is a foundation out of Montreal; the McLean Foundation, which is based here in Toronto; and we had some initial seed funding from Holcim, which was one of the early founders, along with Environmental Defence, behind—

**Ms. Sylvia Jones:** Right, Lafarge.

**Mr. Lorne Johnson:** —SERA, yes.

**Ms. Sylvia Jones:** Okay, thank you. My question is: Have you had any discussions about the value or interest in having aggregate mapping in official plans of municipalities?

**Mr. Lorne Johnson:** No, we haven't.

**Ms. Sylvia Jones:** Okay, thank you.

**The Chair (Mr. David Oraziotti):** Thanks for your presentation. We appreciate you coming in today.

**Mr. Lorne Johnson:** Thank you. Thanks for letting me appear.

## ENVIRONMENTAL DEFENCE

**The Chair (Mr. David Oraziotti):** The next presentation: Environmental Defence. Good afternoon, folks. Welcome to the Standing Committee on General Government. You get, as you're aware, 10 minutes for your presentation. Simply state your name for our recording purposes and you can start when you're ready.

**Mr. Rick Smith:** Thank you for the opportunity to speak to you today. My name is Rick Smith. I'm the executive director of Environmental Defence. My colleague David Donnelly, our legal counsel, is here with me today.

We're here to represent the views of Environmental Defence, and I'd just like to start by congratulating all parties on your thorough investigation of this critical matter. We've talked to all the parties around this table about this issue over the last few years, and I'm really pleased that this constructive dialogue is happening.

Since 1984, Environmental Defence has been inspiring change by connecting people with the environmental issues that affect their daily lives and their homes and their workplaces and their neighbourhoods, and this mandate has included working with numerous community partners in opposition to inappropriately-sited new aggregate resource quarries. This has been happening and has been on our priority list for nearly three decades.

I'm quite sure that we can safely make the claim that no non-profit organization has fought as many quarries under the ARA as Environmental Defence. As a result, we're just as tired of its vague and loose rules as everybody else you've heard from.

Since our inception, our organization has also played an important role in land use reforms, such as protecting the Oak Ridges moraine, the establishment of the green-belt and the all-party-supported Lake Simcoe Protection Act. I think it's safe to say that while the world around aggregate quarries and the aggregate issue has changed substantially—most especially, the public's engagement with environmental protection has dramatically increased—not much has changed under the Aggregate Resources Act in almost 50 years.

So, our primary submission today is that aggregates need to be subject to tight regulation that requires consumers to recycle as diligently as homeowners currently do; operators to conduct themselves as cordially as civil neighbours around this province are expected to do; and sites to respect ecological planning criteria in the same way that municipalities and other land developers already must. Under the present ARA, all of these things rarely occur.

In the past three years alone, we've fought alongside four citizens' groups, opposing over 100 million tonnes of new aggregate operations, covering an area equal to something approaching Central Park. Together, the extraction from these quarries would constitute an amount roughly equivalent to the proposed Melancthon mega quarry. All told, these four licence appeals required 46 months of hearing time—almost a year each, on average. It bears repeating here that your average criminal trial, your average murder trial, seldom runs more than three months, so something is clearly out of whack with the ARA.

Our second primary conclusion is that the process is broken and needs to be fixed. Lengthy ARA licence hearings consume resources better applied to environmental protection and mitigation, and through our work and that of Mr. Donnelly with our community partners, that has led us to conclude that the public and the industry are ready to adopt a green building standard that incorporates a proper certification system. Quite simply, such a system would ensure future aggregate extraction is



more, so that a developer building a LEED-standard building or a homeowner repaving their driveway don't inadvertently blow a hole in a Jefferson salamander habitat.

1750

It has been through our work over the last three decades that we've come to believe that a standard like SERA, like Mr. Johnson has just outlined, would be a huge step forward. I'd like to add our voice to his and others to commend that standard to your attention.

With respect to our specific recommendations for ARA reform, I'd like to turn to my colleague David.

**Mr. David Donnelly:** Thank you, Dr. Smith. My name is David Donnelly. I'm counsel to Environmental Defence and also three of the citizens' groups that participated in the aggregate licence hearings over the past three years: the Clearview Community Coalition, Grey Matters, and PERL—you may have heard it as Sarah Harmer's advocacy group.

First and foremost, the groups involved in these hearings have asked that a new ARA put fixed terms to the licences of all new aggregate quarries. This is not an academic matter. In the Duntroon quarry hearing, there is an existing quarry up there on the highest point of the Niagara Escarpment that the Clearview Community Coalition fought, including Ms. Grier. That quarry opened when the Toronto Maple Leafs were winning Stanley Cups.

**Mr. Mike Colle:** That's 1967.

**Mr. David Donnelly:** It's 1965.

In the case of Mount Nemo and Burlington and PERL, the existing quarry up there started before professional hockey was invented. By the time you add these new expansions, including rehabilitation, those quarries will be operating into the 22nd century. That's not fair, and this industry needs to have a fixed limit upon which it can impact communities.

The second matter that I want to raise is with respect to a commitment to efficient resource use. You've heard that there are many other jurisdictions doing far better than Ontario. It's inexcusable that we don't do better. We talk to the municipalities that buy the aggregate from these virgin aggregate producers, and they want to use recycled material. By and large, they're frustrated by a building code that lags behind in this area. A simple updating of the building code and some other standards would allow us to use a lot more recycled aggregate. It's something that can be easily fixed, just not through this process.

With respect to best operational processes, there are aggregate quarries in this province that operate without fixed operating hours. Trucks queue up at 4:30 in the morning, disturbing sleep. The compromise that is often offered by the industry is that the trucks won't queue up until 6 a.m. Who wants to be awoken by Jake brakes in the middle of the night? It's just not fair, and it should be fixed.

I should also add on the close-to-market: There was an interesting discussion with Mr. Flynn about garbage. We

don't impose a close-to-market standard for garbage; why do we for aggregate? It's a political choice; it's a choice around costs. But we should have the same standard for everything from food to almost anything else we consume. The aggregate industry shouldn't enjoy this preferential advantage.

With respect to siting, it is high time that we updated and harmonized our land use plans with respect to new siting activities. The Niagara Escarpment plan is 27 years out of date. There are regionally significant woodlands, provincially significant wetlands that have not been evaluated, that are the subject of site applications or will be the subject of future applications. It's time that the environmental protection mandate made its way into the Aggregate Resources Act, which currently only has one line, a single line, outlining environmental protection standards under the act.

Finally, the most important thing that you can do here through this review exercise is to fix a broken review process. I was involved in 36 months out of the 46 undertaken in those four aggregate reviews, and I can tell you that a conservative estimate is that proponents spend, on their own lawyers, their own experts and funding the municipalities and their experts, \$1 million a month in those hearings. That means that in Ontario, the proponents in the aggregate industry have spent \$460 million advocating on behalf of their licence applications. Their opponents, including three of my clients, have spent just over \$2 million. That's \$460 million applied to approvals versus \$2 million. Nobody in their right mind would consider that a fair process.

Now, there is a change that's required in the Planning Act to level the playing field. Currently, under section 69 of the Planning Act, municipalities may have their legal and expert planning fees paid by the proponent, if the proponent supports the quarry application. In a case where a municipality opposes a quarry application, no such relief is provided. This is a dangerous loophole and it makes people cynical about the process. The act should not allow this kind of favouritism of proponents over citizens.

Finally, I draw your attention to the matter of transparency. Ms. Grier was asked about the MNR competing, in essence, with the Niagara Escarpment Commission. In the case of the Walker application, it was the MNR continuing to deal with site plan changes, changes to conditions, even including changes to the adaptive management plan. In a more egregious case, involving Sarah Harmer and PERL, the Ministry of Natural Resources went back with the proponent and devised an entirely new mitigation system to protect the threatened Jefferson salamander on the Harmer property, not on Nelson's property but on the Harmer farm, and yet they didn't advise the Harmers, they didn't advise the Niagara Escarpment Commission that that mitigation and negotiation was going on, even though the proponent was sitting in on part of it, and now that application is subject to a freedom-of-information request that the MNR is



denying. There should be transparency for the proponent and for the citizens' groups.

With that, I would like to ask you to consider one last thing, which is participant funding for citizens' groups opposed to aggregate licence applications. We subsidize, in many, many ways, the aggregate industry in the province of Ontario. There should be enough in the tonnage fee to rehabilitate pits, which is favouring proponents. There should also be money available to citizens' groups for participant funding so that they can scope issues at the outset of the hearing process.

**The Chair (Mr. David Oraziotti):** Thank you for your presentation. Mr. Colle, go ahead, briefly.

**Mr. Mike Colle:** Thank you, Mr. Smith and Mr. Donnelly. I just, again, want to put on the record, because many people don't realize the incredible role that Environmental Defence did play in establishing the Oak Ridges Moraine Protection Act, the greenbelt, and that in itself saved millions of tonnes of aggregates from being used to pave all of the Oak Ridges moraine and pave all the greenbelt. I want to just remind folks of the incredible leadership that the Environmental Defence had, way before this started.

The question I have, though, is: In terms of section 69, Mr. Donnelly, you said that the act says that the proponent, if he or she gets support from the municipality, then the municipality can have their costs offset. I think you had it reversed. Can you just explain that section 69 again?

**Mr. David Donnelly:** Section 69 of the Planning Act allows municipalities to collect reasonable fees associated with the processing of development applications. That clause in the act is supposed to be for reasonable processing fees, administrative fees. It was never intended to be allowed to have municipalities write by-laws that permit them to then have their expert and legal fees funded by proponents.

In the case of Walker, for example, in Duntroon, Ontario, both Clearview township and the county of Simcoe had their legal expert fees paid for by the proponent through this part of the Planning Act.

**Mr. Mike Colle:** But as long as the municipality was on favour of the application?

**Mr. David Donnelly:** Right, but in the case of Nelson Aggregate and PERL and Sarah Harmer, both the region of Halton and the city of Burlington were opposed to Nelson's licence application, but they could not avail themselves of taking money or having money given to them by the proponent, because they were in opposition. So what you have is, you have the proponent getting two bites at the apple in the hearing process. You have a proponent that says—their expert comes on and says, "We won't disturb the hydrogeology," for example, and then you have a second expert that appears on behalf of the municipality, who says exactly the same thing, and yet he's being paid by the same actor.

**Mr. Mike Colle:** By the proponent.

**The Chair (Mr. David Oraziotti):** Okay, thank you. Next question, Ms. Scott.

**Ms. Laurie Scott:** Thank you for appearing here before us today. You mentioned that the building code has restrictions, so the municipality doesn't want to use recycled matter. It's just that we were under the impression that the MTO uses 40% recycled, and so they don't seem to have a restriction. I just wondered if I was missing something with the municipalities being different. Whoever wants to take that.

**Mr. David Donnelly:** Roadways require different materials than, for example, foundations for housing or different types of building materials. Municipalities are too conservative. There's a concern that the material that might be used might be contaminated, that it might not be structurally sound, but all the engineers and developers that I've talked to, including many people in municipalities, insist that there can be a much higher proportion of recycled aggregate material in all kinds of building processes and projects unrelated to roads.

**1800**

**Ms. Laurie Scott:** Okay, so there is a restriction, you think, in the building code right now that's prohibiting them? That's why I was confused. Somebody mentioned the building code, anyway.

**Mr. Rick Smith:** One other thing, just before I get to that.

**Ms. Laurie Scott:** Sure.

**Mr. Rick Smith:** You've heard about SERA. Lorne Johnson was just here talking about SERA. We've been trying to take a look at acknowledging that through a voluntary certification process we're not going to be able to straighten out all these various municipal bylaws and building codes that penalize the use of recycled material. I think what you're going to see—I hope what you're going to see through the SERA process is organizations like ours and companies coming together to advocate separately that these things be changed.

**The Chair (Mr. David Oraziotti):** Thanks. I need to stop you there, folks.

Next question: Mr. Marchese.

**Mr. Rosario Marchese:** Thank you both. We are getting a number of presenters who are talking about fixed-term licences. Apart from the industry, I think everybody else is in agreement with that, including me.

More and more people are talking about the need to recycle. Your suggestion was that changing the building code was the necessary thing to do.

You heard Mr. Schulz, his presentation, because they're eager to do recycling as well. Do you have any comment on the presentation he made with respect to recycling? Did you hear it?

**Mr. Rick Smith:** I didn't. I'm sorry, I didn't hear what his presentation was.

**Mr. Rosario Marchese:** They were talking about making sure that we get the experts to get that right, getting the reliability of blended products. Did I get that right, more or less? So we need to pay the experts to do that well.

Your point is: Change the building code in terms of what is allowable by way of reusable stuff, and that



should do it. Is that correct, or is there more that you want to add to that?

**Mr. David Donnelly:** Well, I think that the SERA process may offer the answer. I think that two things have to happen. One, there has to be a total review of all the types of building, whether it's road construction, infrastructure like bridges, or home building or development, and changes to the building code is one element of that that would improve things, as would a government-wide review of just increasing the content of recycled material.

SERA comes into the picture by actually inducing people to use a higher proportion of recycled material to gain certification points. So just like with a LEED standard, for example, you get a point for putting a bicycle ring outside of your office building; under SERA, if you would have a higher degree of recycled—if SERA gets rolled out across a broad range of materials, then having a higher component of recycled material in that product will then give the developer additional SERA points, or the seller of the product additional SERA points, that will contribute to your green building standards. That would be an incentive built in. So it can work both ways.

**Mr. Rosario Marchese:** Thank you.

**The Chair (Mr. David Oraziotti):** Thanks. That's time for your presentation. I appreciate it.

#### ONTARIO FEDERATION OF AGRICULTURE

**The Chair (Mr. David Oraziotti):** Next presentation: Ontario Federation of Agriculture. Good afternoon, folks. Welcome to the Standing Committee on General Government. As you're aware, you've got 10 minutes for your presentation. Whoever may be speaking, just state your name before you speak, and you can start when you're ready. Thanks.

**Mr. Mark Reusser:** Good afternoon, ladies and gentlemen. I'll introduce us all. My colleague here to my left is Keith Currie. He's a cash crop farmer from Collingwood. He's a director on the Ontario Federation of Agriculture. My colleague to my far left is Peter Jeffery. He's a senior researcher with the OFA. I am Mark Reusser. I'm a chicken farmer from near Kitchener, also a director on the Ontario Federation of Agriculture.

Just by way of introduction: The OFA is the voice of Ontario's farmers, supported by approximately 37,000 individual members. The OFA represents farm-family concerns to governments and to the general public. Constituted in its present form since 1970, the organization is active at the local level through 51 county and regional federations of agriculture. OFA is also a member of the Canadian Federation of Agriculture, the farmers' voice on the national stage.

It has been said that despite all of the accomplishments humans have made during their existence, the fact is that our existence depends on some soil and the fact that it rains. We're here today to talk about the soil and agriculture.

While Ontario covers approximately one million square kilometres, a mere 5% of Ontario's land mass is suitable for agriculture. Of that 5%, approximately half of it or two-and-a-half per cent of Ontario's land mass is class 1 through 4 farmland.

Currently, there are almost seven billion people in the world. The UN projects that number to rise to over nine billion by 2050, less than 40 years from now. Feeding ourselves on an ever-reducing supply of productive agricultural land will be an ever-increasing challenge. To do so, Ontario needs to maintain as much of its limited arable land as possible in agricultural production. So, too, must every other nation across the globe. We must ensure that our actions and policies do not unduly limit our ability to produce food, fibre and fuel from our limited agricultural base.

According to the 2006 census, there were 13.3 million acres of farmland in Ontario. Recently released data from the 2011 census shows an alarming decline in the area being farmed. Ontario farms now encompass 12.6 million acres, down 636,000 acres over the previous five years. While this loss is due to urban expansion, aggregate extraction or both, Ontario cannot sustain an annual loss of 127,000 acres of land per year. Just so you know how big that is, that is bigger than the city of Toronto.

As the stewards of highly productive agricultural land, the majority lying in southern Ontario, farmers require and deserve certainty and clarity that the presence of aggregates on or adjacent to one's farm will not be the death knell for that farm.

The OFA believes that society places too little value on our agricultural lands, the finite resource that we depend on for our very existence. We need and deserve legislation that protects domestic agricultural land. Unfortunately, our prime agricultural lands are the one land use designation that seems to be sacrificed for urban uses, aggregate uses and others.

The OFA, as Ontario's largest general farm organization, does not apologize for its strong agricultural land protection bias. Our mandate is to advocate on behalf of our 37,000 individual farm families for prosperous and sustainable farms.

We cannot diminish the critical role played by primary agriculture, i.e. farmers, in the production of our food. As a province, we must minimize activities that lead to the loss of our agricultural lands and endeavour to strike a more appropriate balance between the need to protect agricultural land and the need for aggregates.

We have some recommendations with regard to the aggregates act. First of all, the OFA recommends that the Aggregate Resources Act regulations and operating standards be amended to reflect and protect the vital role of our agricultural lands. The public policy statement makes some regard to agriculture. It says, for instance, that long-term economic prosperity should be supported by "Promoting the sustainability of the agri-food sector by protecting" farmland. It also says, "Prime agricultural areas shall be protected for long-term use for agriculture."



The protection and preservation of our valuable food-producing agricultural lands must not be treated in such a confusing and conflicting manner because the PPS and the aggregates act also allow for extraction of aggregate on those very same lands.

The OFA recommends that the Aggregate Resources Act, regulations and operating standards be amended to reflect and protect the vital role of our agricultural lands.

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Secondly, the OFA recommends that aggregate extraction be prohibited on prime agricultural land, classes 1 through 4, including specialty crop areas. We see little solid evidence of widespread rehabilitation of former aggregate extraction sites, which likely were agriculture before extraction, back into agricultural uses. Too often rehabilitation means the creation of new recreational uses—for instance, parks and golf courses etc., residential developments and/or woodlots, grasslands and wetlands—not that any of those are bad, but they're not agriculture. Agricultural land is a strategic resource, just like aggregates, necessary to grow food for an increasing population—provincial, national and global.

The OFA firmly believes that long-term protection of agricultural land for food production provides a greater societal value than does aggregate production. In our 2010 submission on the public policy statement review, we wrote this: “aggregate extraction be prohibited on prime agricultural land, classes 1 through 4, including specialty crop lands.”

In the interim, nothing has changed to convince us otherwise. Agricultural land is not only a strategic resource; it is a perpetual resource. It is a non-renewable resource.

The OFA also recommends that the provincial government, under the Ministry of Agriculture, Food and Rural Affairs, report on the state of the agricultural soils resource in Ontario. Agricultural potential and the value of agricultural lands for food production have not been assessed, neither have they been acknowledged in the State of the Aggregate Resource in Ontario study, February 2010, or the State of the Aggregate Resource in Ontario study, aggregate resource advisory committee recommendations, June 2010.

These deficiencies emphasize the low value placed on our agricultural lands. Nevertheless, we view undisturbed agricultural soils as a perpetual resource, meaning that they can produce food forever if left undisturbed, providing food for Ontario, Canada and beyond.

The OFA also recommends that in areas where agriculture is the predominant land use, rehabilitation must be to restore to agriculture. No other option is acceptable. So many times we see site plans that call for land to be restored back to agriculture restored back to something else. That's just not right.

We also have some views with regard to rehabilitation. Keith, would you like to address those?

**The Chair (Mr. David Oraziotti):** Your time is just about up, so I need you to be brief.

**Mr. Keith Currie:** Okay. Thank you.

Aggregate extraction below the water table will definitely lead to the permanent loss of agricultural land. Reflecting on what Mark just touched on about rehabilitation, quite often companies will come in, extract the aggregate just above the surface, do a slight rehabilitation, leaving the licence open to go back and extract later when it's convenient for them. While the site may undergo rehabilitation, it is nevertheless permanently lost to agricultural production, a loss that Ontario cannot afford to allow to continue.

Currently, the provincial policy statement does not require rehabilitation to an agricultural use if there is a substantial quantity of mineral aggregates below the water table, and nowhere is “substantial quantity” defined or described. Who determines the parameter and on what basis is that decision made? Otherwise, we have no means to measure the success of rehabilitation. There needs to be a stronger commitment to rehabilitation in general, and rehabilitation back to agriculture, in particular.

**The Chair (Mr. David Oraziotti):** I need to stop you there. We're over the time allotted for your part of the presentation. We've got some questions, so we're going to move to that. We're obviously going to get all of your material and your written submission for part of the record. Ms. Scott or Ms. Jones, who's—Mr. Yurek?

**Mr. Jeff Yurek:** Surprise, surprise.

**The Chair (Mr. David Oraziotti):** There we go. Go ahead.

**Mr. Jeff Yurek:** Thanks, Chair. Thanks for your presentation. I appreciate the work the OFA does in our province. Coming from a rural riding, I really respect the work that you do.

A question, just a quick one: You talk about fees being levied and you don't know how high to increase them. You say on the crown lands, 50 cents a tonne. You talked about rehabilitation of lands. Do you think some money should be set aside from that fee in itself to help the rehabilitation back to agricultural land when it's done or do you think that should be an additional fee added on?

**Mr. Keith Currie:** I think the fees need to be set to meet appropriate rehabilitation. We are strongly advocating to have that rehabilitation back into agricultural production. We are certainly not experts in the field of setting levies or fees to adequately assess what needs to be paid out to rehabilitate it. We're leaving that up to the experts. Currently, we know that that level's not high enough, because it's obviously not being done.

**The Chair (Mr. David Oraziotti):** Okay, thank you. Mr. Marchese?

**Mr. Rosario Marchese:** I know that a lot of people in the agriculture sector think that city people don't think about agriculture very much, but I think a growing number of people do, and they do worry about the loss of agricultural land. I think a growing number of people realize that only 5% of landmass is prime agricultural and 0.5% of Canada's landmass is class 1 farmland. I think more and more people understand that, and they want to



protect it. Your sector does contribute billions to the economy.

You get the other side, the aggregate sector, saying, "We contribute too. We create jobs. We need the aggregates. They should be close to markets"—which means in agricultural land. "If we go further north"—which is what some people are suggesting—"the cost will be greater to society in terms of infrastructure costs, trucking and environmental problems." How do you respond to that?

**Mr. Keith Currie:** We certainly understand the value of aggregates and the need for our society to have them, but let me answer that in the form of a question: Would our society, or yourself, like to take a bumpy road to the supermarket or a smooth road to starvation?

*Laughter.*

**The Chair (Mr. David Orazietti):** All right. Thank you. We need to move on.

**Mr. Rosario Marchese:** Just remember, I'm on your side.

**The Chair (Mr. David Orazietti):** All right. Anything, Mr. Colle?

**Mr. Mike Colle:** Yeah, I agree. I think we should all be taking more bumpy roads.

But I guess the root of the problem is, we've got such demand. Everybody wants spanking new hospitals, spanking new roads, spanking new community centres, spanking new arenas, and then they say, "Oh, they're putting another aggregate pit over there."

So how do we get the public to maybe temper their demand for those smooth highways and start thinking that it's better to have rolling fields of hay or apple orchards? How can we get the public to do that? What could we, as the government, do to help?

**Mr. Keith Currie:** Well, for me to use the term "long-term vision" is probably something that won't work within government, because that doesn't seem to happen, but that, essentially, is what we need. There seems to be a hierarchy in place with aggregates right at the top. Agriculture, as has been mentioned many times—we are the ones that are first sacrificed for roads, for shopping malls, for urban sprawl, for natural heritage, for aggregates, for everything.

**Mr. Mike Colle:** Housing.

**Mr. Keith Currie:** There has to be a balance. We understand the important need for aggregates, but there has to be a balance.

We've heard lots of talk today about recycling. Somehow this industry has to understand how recycling fits into the big picture, because, let's face it, when building codes require a specific specification, it doesn't really matter whether it's virgin material or recycled material, if it meets the specification. There's an avenue for the government to play a role there. We need food to survive. We have to have food to survive. That's a no-brainer.

**Mr. Mike Colle:** And another pet peeve of mine is, I can't read the writing—

**The Chair (Mr. David Orazietti):** Thanks, Mr. Colle.

**Mr. Mike Colle:** —on some of these food products, the imported products, because I'm looking for the Canadian ones. Can't we get a big sticker that says, "Grown in Ontario. Grown in Canada. Buy the Canadian fruits and vegetables and products"—

**The Chair (Mr. David Orazietti):** Thanks, Mr. Colle. I appreciate the comment—

**Mr. Mike Colle:** —shouldn't we have a sticker on our food so we can buy—

**Mr. Keith Currie:** Foodland Ontario.

**Mr. Rosario Marchese:** Mike, respect the Chair.

**The Chair (Mr. David Orazietti):** Thanks. That's time for your presentation. We appreciate you coming in.

## NORTH DUFFERIN AGRICULTURAL AND COMMUNITY TASKFORCE

**The Chair (Mr. David Orazietti):** All right, folks, the next presentation, final presentation: Carl Cosack. Good afternoon. Welcome to the Standing Committee on General Government. You've got 10 minutes for your presentation.

*Interjections.*

**The Chair (Mr. David Orazietti):** The troops are getting restless here. Go ahead.

**Mr. Carl Cosack:** Thank you, Mr. Chair. I'll make good use of my time.

**The Chair (Mr. David Orazietti):** Thanks.

**Mr. Carl Cosack:** Good afternoon, ladies and gentlemen. My name is Carl Cosack and I am the chair of the North Dufferin Agricultural and Community Taskforce, or NDACT. Thank you for the time you're allowing me to speak to you and to share some of our thoughts with regard to the review of the Aggregate Resources Act.

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A bit of background: NDACT was formed three years ago when the larger North Dufferin community learned about the Highland Companies plans for a massive quarry in the potato fields of Melancthon, which is 90 minutes from where we all sit right now. We have several hundred members and thousands of supporters actively engaged in the effort to save the land and its water. My comments will address agriculture and water issues only.

While these hearings are not about the proposed Highland Companies mega quarry, it is because of the mega quarry application that we're here today. The application for the largest quarry in Canadian history in the midst of a 15,000-acre plateau of farmland has highlighted the ongoing conflict between aggregate and agriculture. This committee has a unique opportunity to bridge those conflicts because, really, aggregate operators and agriculture have much in common. We all use aggregate, we all raise children, we all eat food, and we all need clean, fresh water. Non-partisan thinking will develop better policies for a better Ontario.

Representatives from the aggregate industry argue that Ontario must maintain a close-to-market approach when it comes to aggregate. That approach is part of the PPS. The PPS is policy, not law, and it is within your mandate



to improve those policies that are not working for the people of this province. In southern Ontario, "close to market" means too close to prime farmland, the very land that is extremely rare, highly productive and a major factor in the province's economy. Close-to-market policy should not be restricted to the aggregate industry. "Close to market" is equally important to the food-producing sector of our economy.

You already know that a mere 0.5% of the Canadian land mass is class 1 agricultural land. It's the finest soil in which we grow our food. Of that 0.5%, more than half of it is right down here in southern Ontario. In fact, the farmland at the centre of the mega quarry controversy is class 1 soil known as Honeywood silt loam. It exists nowhere else in Ontario in this contiguous manner.

Agriculture contributes to the economic well-being of this province 100 acres at a time, just like aggregate contributes to the province's economy one pit or quarry at a time. I can only second the voices you heard from Mark and Keith: Our prime farmland is a unique resource, and it is providing Ontario with tremendous economic benefits.

Our food sector is bigger than the auto sector. The industry contributes some \$33 billion to the provincial economy every year, and jobs for 700,000 Ontarians who draw some \$7 billion in wages. Our agri-food industry is the largest in the country. According to the government's own figures, agri-food exports hit a record high last year of nearly \$10 billion. Ontario, our beloved province, contributes 22% of Canadian agri-food exports.

We're truly blessed with land that will always produce crops, fruit, vegetables, dairy products and meat, thanks to our soil and climate conditions. The land is a resource that will continue pouring billions of dollars into our economy, providing jobs and food for as long as humans need to work and eat, but we have to protect it. It is vital to our province's economy and its citizens.

ARA policy should recognize that we cannot support the aggregate sector of the economy at the expense of the agricultural community. ARA policy should ensure that the sector that is renewable deserves at least the same considerations as aggregate does.

NDACT strongly argues that our prime farmland, which includes classes 1, 2 and 3 soils, whether in Melancthon or elsewhere in the province, should be protected from all aggregate extraction.

As Keith says, we're not against aggregate. We need it for our roads, buildings, and many other products. We believe we should pursue other options, such as recycling—already discussed—alternative technologies, and investigate other kinds of rock to build our infrastructure and other locations which don't impact prime food-producing lands.

One example: The Ontario Stone, Sand and Gravel Association has some really bright people working on research to recycle old concrete, a process that would allow old concrete to be used as concrete again—a couple of years away likely, but good work is being done. Your committee can help create policies that will

lever the expertise that is out there to find solutions. We have the technology today that we didn't have 40 years ago to develop those new products. We can develop criteria, a framework, for willing host communities.

There is unprecedented public involvement in the issue and unprecedented offers to help find solutions. As an example, you will receive a written submission, prepared by Garry Hunter for Rutledge Farms, and we endorse most of the technical recommendations it includes. You can challenge us collectively to do better than the status quo, because we must do better.

In addition to the ongoing threat to prime farmland, there is also the issue of water. The aggregate industry states that aggregate operations are not "water consumers" but "water handlers." This makes it seem as though water handling is like a benign process. We respect that the hearing is not about the mega quarry, yet the Highland application symbolizes all that is wrong with the current ARA legislation. A policy that would even consider permitting excavation 200 feet below the water table and the handling of 600 million litres of fresh water daily, in perpetuity, is not putting the needs of the people of this province first.

We believe that any application involving below-the-water-table extraction should automatically be referred to a full environmental assessment and that source water regions and watersheds should be protected in perpetuity, not pumped in perpetuity.

Any policy that would allow a private company, foreign or domestic, to effectively control the amount of fresh water used by eight million Ontario residents is deeply flawed and, at best, reckless and irresponsible.

The Highland Companies' application would impact the drinking water of up to one million people downstream, along with fish, wildlife and whole ecosystems. All would have to depend on this "water handling" to operate without complications, human error or contamination.

As a society, we have learned, through the Walkerton tragedy and other water contamination issues, that our number one priority today, and for our children tomorrow, is to ensure safe drinking water and to eliminate all man-made risks to our fresh drinking water sources. The Aggregate Resources Act must not allow applications that pose such an enormous risk to the health of Ontarians.

We are not alone in this sentiment. Last October, NDACT helped organize an event called Foodstock—some of you were likely there—and it was held on a potato farm adjacent to the proposed mega quarry site. Some 28,000 people came out from across the province to enjoy gourmet dishes prepared by 100 chefs, using local ingredients. The slogan of the day was, "Save the Land that Feeds Us." It is an appropriate motto for all of Ontario's food-producing regions facing aggregate applications.

In conclusion, I would like to say that NDACT's position is clear, and we thank the committee for giving it careful consideration. There are some additional notes



attached to this written presentation which can help kick-start dialogue. I also thank you for agreeing—and I was just told differently—to travel the province, because you just must go out there and see what things are like out there. You owe it to your constituents in all regions that you engage and allow them to engage in that critical debate.

I understand an invitation has already been sent to the committee to visit us in Honeywood. Our community would be happy to give you all a tour of the proposed mega quarry site, and we would enjoy offering you some real rural hospitality and toss in a barbecue. You probably could use some home cooking while you're on the road. Thank you so much.

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**The Chair (Mr. David Oraziotti):** That's certainly the best offer yet. Thanks, Mr. Cosack, for your presentation. We appreciate you coming in. We've got some brief questions for you. Ms. Jones, go ahead.

**Ms. Sylvia Jones:** Thank you, Carl. I think you have a faster car than I do if you get here in 90 minutes.

My question is related to page 3, where you talk about the soil that is Honeywood silt loam. I am by no means an expert on soil, but as I understand it, part of the reason why it drains so effectively and is such an excellent producer of agricultural product is in fact the makeup of the subsoil and basically the aggregate that is underneath it. So the suggestion that, post-extraction, that site could go back to agriculture, I'd like your feedback on.

**Mr. Carl Cosack:** It's ludicrous. That's all I need to say.

**Ms. Sylvia Jones:** Thank you.

**The Chair (Mr. David Oraziotti):** Mr. Marchese.

**Mr. Rosario Marchese:** Thank you, Carl, for your very balanced and sincere presentation.

I agree with everything you say. I like the reminder: "Close to market" means close to farmland, which is a problem. Aggregates not at the expense of our agriculture—that was a good reminder.

For me—and I think some of us are talking about recycling as a big issue for us. We've got to get the industry to work with us and we've got to get the provincial government to establish the appropriate policies to make that happen. We can't continue to extract forever—we just can't do it—for a variety of reasons that everybody's talking about. We've got to do recycling better. The technologies are there, and we simply have to get this right. I hope we do. Thank you.

**The Chair (Mr. David Oraziotti):** Mr. Colle.

**Mr. Mike Colle:** Well, thank you for the passionate and very comprehensive presentation, Carl.

I'm wondering if you could help us with the whole issue of agricultural sensitivity. I don't think the public understands the connection between water, agricultural land and future generations. How can we get people to understand that, rather than put the needs of the smooth highways and these new fancy buildings always ahead of what's been here, as you said, for a millennium, and only

0.5% of all the land in Canada, right? It's 0.5%. How can we do that?

**Mr. Carl Cosack:** Well, I think the government is doing a good job with Foodland Ontario. It's not all up to the government. Local food: Ontario is playing a major role. You cannot escape the local food movement, 100-mile diet—you name it; it's out there. Just establish a policy framework to allow it.

**Mr. Mike Colle:** I'm wondering, through this act—see, this is one of the challenges: This act is quite narrow. But the good thing is that it's the first time it has been looked at since 1997, and things have changed dramatically. I think the ideas you and others put forward could help us reshape this with the urgency to save farmland. I think that's what our committee's going to try to grapple with—how we get that sense of urgency—and maybe use this as a lever or a wedge to get this on the table through this act.

**Mr. Carl Cosack:** I think part of the urgency is well-established, because you had a record number on fairly short notice trying to present to your committee; and the public involvement—the gallery has been full at every time. So the public knows there's urgency. Now government needs to know there's urgency.

**Mr. Mike Colle:** And the public needs to buy Canadian, locally grown food and stop—

**Mr. Carl Cosack:** And they do.

**Mr. Mike Colle:** Oh, they're buying Chinese garlic and they're buying all this fruit from the States and berries from Florida. They also have to play that role: Buy local, buy Canadian, buy Ontario.

**Mr. Carl Cosack:** You're right.

**The Chair (Mr. David Oraziotti):** Thank you very much for your presentation.

**Mr. Carl Cosack:** Thank you to the committee.

## COMMITTEE BUSINESS

**The Chair (Mr. David Oraziotti):** That's all the presentations for today. Other committee business? Ms. Jones.

**Ms. Sylvia Jones:** I have a motion. The government and the minister called for a legislative review of the Aggregate Resources Act. Stakeholder and public interest in the legislative review is high. The Standing Committee on General Government has had overwhelming response vis-à-vis interested parties wanting to present and speak before the committee. It is essential that any legislative review of the ARA needs to include holding public hearings and conducting investigations and studies in communities that actually produce and/or process aggregates or aggregate by-products. I move that the committee again reinforce with the government House leader—sorry, with all House leaders—

**Mr. Mike Colle:** With all three House leaders, please—

**Ms. Sylvia Jones:** Fair enough.

**Mr. Mike Colle:** —not just one. You two have the majority, so—



**The Chair (Mr. David Oraziotti):** Mr. Colle, let her read the motion, please. Thanks.

**Ms. Sylvia Jones:** —again reinforce with the three House leaders that the committee wishes to extend the number of days for public hearings for the legislative review of the ARA in Toronto and from place to place in Ontario, to hold meetings, hearings and investigations once the House rises.

Chair, I have had an opportunity to put together a list of some of the communities where we have already received requests for deputations. They include, but are not limited to, London, Lanark, Port Elgin, Waterloo, Shelburne, Stratford, Schomberg, Port Perry, Erin, Guelph, Walkerton, Meaford, Midland, Hamilton, Bradford, Wasaga Beach, Creemore, Singhampton, Bracebridge, Caledon, Brampton, Kitchener, Dundalk, Mansfield, Port Colborne, Orangeville, Caledonia, Alliston, Barrie, Timiskaming, Southampton, Maxwell, New Lowell, Bracebridge, Woolwich, Oakville, Blue Mountain, Ingersoll, Woodstock and a lovely community called Annan in Grey county.

**Ms. Sarah Campbell:** You forgot Dryden.

**Ms. Sylvia Jones:** And Dryden.

**The Chair (Mr. David Oraziotti):** Thanks for your motion. As everyone on the committee is aware, the subcommittee dealt with this request—it's a matter of record—May 9, last week, on Wednesday. We approved the motion that was read into the record, that was made as a request to all of the House leaders. On Thursday, May 10, as a follow-up, I sent on behalf of the committee a letter doing absolutely what you're requesting. So thank you for reading that on to the record yet again, to reinforce that point, but the motion has been dealt with, so I'm going to rule it out of order and indicate that—

**Ms. Sylvia Jones:** But that means we're done on this until we hear anything back from the House leaders.

**The Chair (Mr. David Oraziotti):** We've all agreed. We've made the motion and approved it in subcommittee and by letter to the House leaders, and we would expect to hear back from the House leaders on that. So, as much as the committee—

**Ms. Sylvia Jones:** So we can't send a reinforcement?

**The Chair (Mr. David Oraziotti):** As much as the committee wants to continue to discuss this and talk about it—and I think we've made it crystal clear for our

House leaders to bring this back—I would say that the motion is redundant, it's out of order and that's it. We're not going to have further debate on it.

**Mr. Rosario Marchese:** Can I ask you, Mr. Chair, just for a second—I don't know what Mike feels or the others, but this is a repetition of what we already said. I understand that. But if it makes the Conservative member feel better and if the Liberals are okay, I'm okay with sending it again. I'm okay with reaffirming it again.

**Mr. Mike Colle:** Yeah, it could be as a letter from the committee, if it's not—

**Mr. Rosario Marchese:** We are sending it again—

**The Chair (Mr. David Oraziotti):** Further to the letter we sent last Thursday?

**Mr. Rosario Marchese:** Further to, exactly.

**Mr. Mike Colle:** Yes, appended to the other motion.

**The Chair (Mr. David Oraziotti):** Is the existing letter that we've already agreed on—

**Mr. Rosario Marchese:** We all agree.

**The Chair (Mr. David Oraziotti):** —okay, re-dated?

**Mr. Rosario Marchese:** Further to.

**Ms. Sylvia Jones:** Further to. Reinforced. Put the word "reinforced" in there.

**Mr. Mike Colle:** And just to reaffirm that—

**Mr. Rosario Marchese:** That we all support it.

**Mr. Mike Colle:** —that when we come back—the House reconvenes some time in September, October—we want to continue this process so it's not just during the summer. I'd like to see it go on right up until Christmas, if possible.

**The Chair (Mr. David Oraziotti):** The House isn't in recess yet. We've got a constituency week; we've got a couple more weeks of session here in the Legislature. I would expect that we'll hear something back from the House leaders, so that's fine—

**Mr. Rosario Marchese:** But Mr. Chair, it's no skin off your back. If you just allow us to re-send it. If we agree, let's just re-send it.

**The Chair (Mr. David Oraziotti):** Fine.

**Ms. Sylvia Jones:** Call it a friendly reminder.

**The Chair (Mr. David Oraziotti):** A friendly reminder. All in agreement? Okay, carried.

The committee is adjourned.

*The committee adjourned at 1840.*







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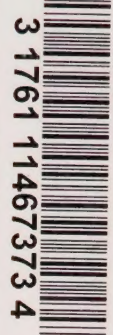












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